IRISH UNIVERSITY PRESS

British

Parliamentary Papers

PERPETUAL PENSIONS AND CIVIL ESTABLISHMENTS

Government

Civil Service 12

IUP LIBRARY OF FUNDAMENTAL SOURCE BOOKS

RESEARCH UNIT DIRECTOR T F Turley

The IUP Series of British Parliamentary Papers

CHIEF EDITORIAL ADVISORS

Professor P Ford, Professor Emeritus, Southampton University
and Mrs G Ford

CONSULTANT EDITORS

Professor J H Smith, Dean of the Faculty of Social Sciences, Southampton University
Professor Oliver MacDonagh, University College, Cork
Christopher Townley, Librarian, University College, Galway
Colman Lyne, National Museum of Canada
Dan O'Keeffe, Librarian, University College, Cork

This Series
is published with the active co-operation of
SOUTHAMPTON UNIVERSITY

IRISH UNIVERSITY PRESS SERIES

OF

British Parliamentary Papers

SELECT COMMITTEE REPORTS ON PERPETUAL PENSIONS AND REPORTS FROM THE COMMISSIONERS ON CIVIL ESTABLISHMENTS WITH MINUTES OF EVIDENCE APPENDICES AND INDEX

1887-92

Government

Civil Service

12

SHANNON · IRELAND

PRINTER'S NOTE

The Printer wishes to draw attention to the many variations in the graphic quality of this series: broken type, ink set-off, poor impression and background blemishes are to be found in the original copy.

Every effort has been made to minimise these faults and to make the reprint copy as legible as possible.

© *1969*

Irish University Press Shannon Ireland

Microforms

Microfilm, microfiche and other forms of micro-publishing
© Irish University Microforms Shannon Ireland

SBN 7165 0703 X

PUBLISHER'S NOTE

The Irish University Press Series of British Parliamentary Papers is a facsimile reproduction. The original documents in this volume have been reproduced by photo-lithography and are unabridged even to the extent of faithfully retaining the printer's imprint.

The contents of this volume have been printed in their entirety by Clarke, Doble & Brendon Ltd. at Plymouth in the United Kingdom.

As a result of the arrangement of the documents in subject sets and of the bringing together in a single book of a number of papers, some volumes in the Irish University Press Series may include the imprints of more than one printer.

Irish University Press Shannon Ireland
DUBLIN CORK BELFAST LONDON NEW YORK
Captain T M MacGlinchey Publisher
Robert Hogg Printer

Contents

IUP Page Number

For ease of reference IUP editors have assigned a continuous pagination which appears on the top outer margin of each page.

Perpetual Pensions
Select Committee Report with Proceedings Minutes of Evidence Appendix and Index
1887 (248) Vol XI 9

Perpetual Pensions
Copy of a Treasury Minute relating to the above Report
1888 (292) Vol LXXXI 147

Civil Establishments
Third Report of the Royal Commission
1889 [c.5748] Vol XXI 157

Civil Establishments
Minutes of Evidence to the Third Report with a Summary and Appendix
1889 [c.5748–I] Vol XXI 173

Civil Establishments
Fourth Report of the Royal Commission
1890 [c.6172] Vol XXVII 529

Civil Establishments
Minutes of Evidence to the Fourth Report with a Summary and Appendix
1890 [c.6172–I] Vol XXVII 545

Superannuation Acts Amendment (No 2) Bill
Select Committee Report with Proceedings and Minutes of Evidence
1892 (271) Vol XVII Sess 1 765

REPORT

FROM THE

SELECT COMMITTEE

ON

PERPETUAL PENSIONS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
29 *July* 1887.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

248.

Perpetual Pensions.

Ordered, —[*Friday, 28th January* 1887]:—That a Select Committee be appointed "to inquire how far the several Hereditary Pensions, Allowances, and Payments, ought to be continued, having due regard to any just claims of the respective recipients, and to economy in the public expenditure; and, further, to inquire into the circumstances of the Commutation of Hereditary Pensions, Allowances, and Payments, which have been commuted since the 1st day of January 1881."

That the Committee have power to send for Persons, Papers, and Records.

That Five be the Quorum of the Committee.

Ordered,—[*Monday, 7th February* 1887]:—That the Committee do consist of Seventeen Members.

Committee nominated—of—

Mr. Mundella.	Sir Albert Rollit.
Sir Richard Webster.	Mr. Mowbray.
Mr. Edward Russell.	Mr. William Lowther.
Mr. James Stuart.	Mr. Bryn Roberts.
Mr. Biddulph.	Mr. Vernon.
Mr. Curzon.	Mr. Arthur O'Connor.
Mr. Salt.	Mr. Chance.
Mr. Whitley.	Mr. Bradlaugh.
Mr. Jennings.	

Ordered,—[*Tuesday, 26th July* 1887]:—That Mr. Esslemont be added to the Committee.

REPORT - - - - - - - - - - - - - p. iii

PROCEEDINGS OF THE COMMITTEE - - - - - - p. iv

MINUTES OF EVIDENCE - - - - - - - - p. 1

APPENDIX - - - - - - - - - - - - - p. 41

REPORT.

THE SELECT COMMITTEE appointed to inquire how far the several HEREDITARY PENSIONS, ALLOWANCES, and PAYMENTS ought to be continued, having due regard to any just claims of the respective recipients, and to economy in the Public Expenditure, and further to inquire into the circumstances of HEREDITARY PENSIONS, ALLOWANCES, and PAYMENTS which have been Commuted since the 1st day of January 1881;——HAVE considered the Matters to them referred, and have agreed to the following REPORT:—

THAT pensions, allowances, and payments ought not in future to be granted in perpetuity, on the ground that all such grants should be limited to the persons actually rendering the services intended to be rewarded by such grants, and that such rewards should be wholly or in main part defrayed by the generation benefited by the services so recognised. That it is unjust that future generations should be burdened with payments to persons who have had no share in the original services.

That offices with salaries and without duties, or with merely nominal duties, ought to be abolished.

That all existing perpetual pensions, allowances, and payments, and all hereditary offices should be determined and abolished.

That in all such commutations the Lords of the Treasury should take into consideration the circumstances of such pension, allowance, or payment, and whether or not any real service had been rendered by the original grantee, or was now performed by the actual holder of the office.

That where no service, or merely nominal service, is rendered by the holder of an hereditary office, and where no service, or merely nominal service, was rendered by the original grantee of the pension, allowance, or payment attached to such office, the pension, allowance, or payment shall in no case continue beyond the life of the present holder or recipient.

That in all cases the method of commutation ought to involve and ensure a real and substantial saving to the nation.

That the rate of commutation usually adopted, of about 27 years' purchase, is too high.

That since the 1st January 1881, 330 pensions, payments, and allowances, amounting in all to the annual sum of 18,957 *l.* 9 *s.* 6 *d.*, have been commuted by the payment of 527,933 *l.* 18 *s.* 4 *d.*, and at rates of commutation varying from 10 years to 30 years' purchase.

That some of these pensions appear to have been commuted, notwithstanding formal objections in writing lodged with the Lords of the Treasury, and without sufficient inquiry into the matters stated in such objections.

29 *July* 1887.

PROCEEDINGS OF THE COMMITTEE.

Friday, 11*th February* 1887.

MEMBERS PRESENT:

Mr. Bradlaugh.	Sir Richard Webster.
Mr. Chance.	Mr. Whitley.
Mr. Mowbray.	Mr. Salt.
Mr. Mundella.	Mr. Edward Russell.
Mr. Arthur O'Connor.	Mr. Curzon.
Mr. James Stuart.	Sir Albert Rollit.
Mr. Vernon.	

Mr. MUNDELLA was called to the Chair.

The Committee deliberated.

[Adjourned till Friday, the 25th February, at Twelve o'clock.

Friday, 25*th February* 1887.

MEMBERS PRESENT:

Mr. MUNDELLA in the Chair.

Mr. Jennings.	Mr. Curzon.
Sir Albert Rollit.	Mr. Mowbray.
Mr. Bradlaugh.	Mr. Vernon.
Mr. Bryn Roberts.	Mr. Edward Russell.
Mr. Biddulph.	Mr. Chance.
Mr. Salt.	Mr. James Stuart.
Mr. Whitley.	Sir Richard Webster.

Sir *Reginald Welby*, K.C.B., was examined.

[Adjourned till Friday, the 11th March, at Twelve o'clock.

Friday, 11*th March* 1887.

MEMBERS PRESENT:

Mr. MUNDELLA in the Chair.

Mr. Jennings.	Mr. Arthur O'Connor.
Mr. James Stuart.	Mr. Mowbray.
Mr. Bradlaugh.	Mr. Vernon.
Mr. Chance.	Mr. Curzon.
Mr. Biddulph.	Mr. Bryn Roberts.
Mr. Whitley.	

Sir *Reginald Welby*, K.C.B., was further examined.

Room cleared.—The Committee deliberated.

Motion

Motion made, and Question, "That this Committee requests the First Lord of the Treasury to furnish statements showing how the sum of 633,333 *l.* 6 *s.* 9 *d.*, invested in the case of the Duke of Richmond, has been reduced to 86 *l.* 0 *s.* 9 *d.*, and showing in what lands and at what dates each purchase was made, showing parties, parcels, and purchase-money respectively, and also showing the trusts, if any, declared by deed in respect of such lands respectively, and giving the same particulars in all respects with regard to the sum of 229,000 *l.* invested in the case of the Duke of Grafton"—(Mr. *Bradlaugh*)—put, and *agreed to.*

[Adjourned till Wednesday, 4th May, at Two o'clock.

Wednesday, 4th May 1887.

MEMBERS PRESENT:

Mr. MUNDELLA in the Chair.

Mr. Bradlaugh.	Mr. Curzon.
Mr. Biddulph.	Mr. Whitley.
Mr. Jennings.	Mr. Mowbray.
Mr. Vernon.	Mr. William Lowther.
Mr. James Stuart.	Mr. Arthur O'Connor.
Mr. Chance.	

Sir *Reginald Welby*, K.C.B., was further examined.

Motion made, and Question, "That the Treasury be required to furnish to the Committee a statement of (so far as is recorded) the monies in respect of which the hereditary pensions, allowances, and payments, commuted since 1st January 1881, or not commuted, of which evidence has been given, were granted; of the date in each case when such services, and each of them, ceased to be performed, and of the liability (if any) still existing to perform services, and of the names of the persons so liable"—(Mr. *Chance*). —Question put.—The Committee divided:

Ayes, 5.	Noes, 5.
Mr. James Stuart.	Mr. Biddulph.
Mr. Jennings.	Mr. Curzon.
Mr. Arthur O'Connor.	Mr. Whitley.
Mr. Chance.	Mr. Mowbray.
Mr. Bradlaugh.	Mr. Vernon.

Whereupon the *Chairman* declared himself with the *Noes.*

[Adjourned till Friday, 22nd July, at Twelve o'clock.

Friday, 22nd July 1887.

MEMBERS PRESENT:

Mr. MUNDELLA in the Chair.

Mr. Bradlaugh.	Mr. Jennings.
Mr. Chance.	Mr. Arthur O'Connor.
Mr. Vernon.	Mr. Whitley.
Sir Richard Webster.	Mr. James Stuart.
Mr. Curzon.	Mr. William Lowther.
Mr. Mowbray.	

Sir *Reginald Welby*, K.C.B., was further examined.

[Adjourned till Friday next, at Two o'clock.

Friday, 29th July 1887.

MEMBERS PRESENT:

Mr. MUNDELLA in the Chair.

Mr. Bradlaugh.	Mr. Mowbray.
Mr. Esslemont.	Mr. Whitley.
Mr. Salt.	Mr. James Stuart.
Mr. Chance.	Mr. Jennings.
Sir Richard Webster.	Mr. William Lowther.
Mr. Vernon.	

DRAFT REPORT, proposed by Mr. *Bradlaugh*, read the first time, as follows:

"1. THAT pensions, allowances, and payments ought not in future to be granted in perpetuity, on the ground that all such grants should be limited to the persons actually rendering the services intended to be rewarded by such grants, and that such rewards should be wholly or in main part defrayed by the generation benefited by the services so recognised. That it is unjust that future generations should be burdened with payments to persons who have had no share in the original services. That the tenure of office by heirship is bad where real duties are attached to the office, as fitness for a particular duty is not always inherited.

"2. That offices with salaries and without duties, or with merely nominal duties, ought to be abolished.

"3. That all existing perpetual pensions, allowances, and payments, and all hereditary offices should at once be determined and abolished, the annual income being compulsorily commuted.

"4. That in all such commutations the Lords of the Treasury should take into consideration the circumstances of the origin of such pension, allowance, or payment, and whether or not any real service had been rendered by the original grantee, or was now performed by the actual holder of the office.

"5. That where no service, or merely nominal service, is rendered by the holder of an hereditary office, and where no service, or merely nominal service, was rendered by the original grantee of the pension, allowance, or payment, the office, pension, allowance, or payment shall in no case continue beyond the life of the present holder or recipient.

"6. That in all cases the method of commutation ought to involve and ensure a real and substantial saving to the nation.

"7. That the rate of commutation usually adopted, of about 27 years' purchase, has been far too high.

"8. That in the case of the commutation of post groats and white rents the annual payment of a sum of 630 *l.* 14 *s.* 2 *d.* to the Duchy of Cornwall, was by Treasury Minute of 15th February 1839 (which Minute was laid before Parliament pursuant to 1 & 2 Vict. c. 120) directed to cease on the 15th April 1841. That such sum of 630 *l.* 14 *s.* 2 *d.* has, nevertheless, been since continued and is still paid.

"9. That the Lords of the Treasury have not produced, and do not claim to possess, any minute or other authority for the continuance of this annual payment of 630 *l.* 14 *s.* 2 *d.*

"10. That the annual payment of 16,216 *l.* 15 *s.* 1½ *d.* to the Duchy of Cornwall appears to have been fixed in 1838, by the Lords of the Treasury, as the commutation money for the loss of the net income received by the Duchy as duties or profits on tin coinage, post groats, and white rents; but it also appears that the total net income of the Duchy of Cornwall, from all sources, was returned by the Receiver General of the Duchy of Cornwall in 1838 at 11,356 *l.* That in the return so showing the net income of the Duchy at 11,356 *l.*, there was included the receipts from tin coinage, post groats, and white rents.

"11. That since the 1st January 1881, 330 pensions, payments, and allowances, amounting in all to the annual sum of 18,957 *l.* 9 *s.* 6 *d.*, have been commuted by the payment of 527,933 *l.* 18 *s.* 4 *d.*, and at rates of commutation varying from 10 years to 30 years' purchase.

"12. That some of these pensions appear to have been commuted, notwithstanding formal objections in writing lodged with the Lords of the Treasury, and without any inquiry whatever into the matters stated in such objections."

DRAFT

DRAFT REPORT, proposed by Mr. *Bradlaugh*, read a second time, paragraph by paragraph.

Paragraph 1, amended, and *agreed to*.

Paragraph 2, *agreed to*.

Paragraphs 3—5, amended, and *agreed to*.

Paragraph 6, *agreed to*.

Paragraph 7, amended, and *agreed to*.

Paragraph 8, *disagreed to*.

Paragraph 9, *disagreed to*.

Paragraph 10.—Question put, That this paragraph stand part of the Report.—The Committee divided:

Ayes, 5.	Noes, 6.
Mr. James Stuart.	Sir Richard Webster.
Mr. Jennings.	Mr. Salt.
Mr. Chance.	Mr. Whitley.
Mr. Esslemont.	Mr. Mowbray.
Mr. Bradlaugh.	Mr. William Lowther.
	Mr. Vernon.

Paragraph 11.—Amendment proposed, in line 3, to leave out from the words "and at rates," to the end of the paragraph (inclusive)—(Mr. *Chance*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 7.	Noes, 4.
Sir Richard Webster.	Mr. James Stuart.
Mr. Salt.	Mr. Jennings.
Mr. Whitley.	Mr. Chance.
Mr. Mowbray.	Mr. Esslemont.
Mr. William Lowther.	
Mr. Vernon.	
Mr. Bradlaugh.	

Paragraph *agreed to*.

Paragraph 12, amended, and *agreed to*.

Question, That this Report, as amended, be the Report of the Committee to the House,—put, and *agreed to*.

Ordered, To Report, together with the Minutes of Evidence, and an Appendix.

LIST OF WITNESSES.

Friday, 25*th February* 1887.

PAGE

Sir Reginald Earle Welby, K.C.B. - - - - - - - - - - 1

Friday, 11*th March* 1887.

Sir Reginald Earle Welby, K.C.B. - - - - - - - - - - 14

Wednesday, 4*th May* 1887.

Sir Reginald Earle Welby, K.C.B. - - - - - - - - - - 19

Friday, 22*nd July* 1887.

Sir Reginald Earle Welby, K.C.B. - - - - - - - - - - 30

MINUTES OF EVIDENCE.

Friday, 25th February 1887.

MEMBERS PRESENT:

Mr. Biddulph.
Mr. Bradlaugh.
Mr. Chance.
Mr. Curzon.
Mr. Jennings.
Mr. Mowbray.
Mr. Mundella.
Mr. Bryn Roberts.
Sir Albert Rollit.
Mr. Edward Russell.
Mr. Salt.
Mr. James Stuart.
Mr. Vernon.
Sir Richard Webster.
Mr. Whitley.

THE RIGHT HONOURABLE A. J. MUNDELLA, IN THE CHAIR.

Sir REGINALD EARLE WELBY, K.C.B., called in; and Examined.

Chairman.

1. YOU are Secretary to the Treasury?—I am.

2. You have received a copy of the Order of Reference to this Committee?—I have.

3. You have also received a number of questions from Mr. Bradlaugh, who moved for this Committee, as to the matters on which he desires information?—I have; and perhaps the Committee would allow me to state that I have collected information upon the points to which the honourable Member has called my attention to the best of my power, but I shall ask the Committee not to consider the answers in all respects as so full and so final as they may be afterwards. There are several points requiring reference to other persons as to which I shall be glad to have the instructions of the Committee before proceeding further. I am speaking of those points in which the Treasury have not information of their own.

4. You wish us to understand that your evidence to-day will not be exhaustive, and that you may require further opportunity for reference and for conference with other bodies; is that so?—It is so; if the Committee would consider this examination as preliminary rather than final.

Mr. *Bradlaugh.*

5. Can you furnish the Committee with a complete list of all the hereditary pensions, payments, and allowances which, on the 1st of January 1881, were either charged on the Consolidated Fund, or were included in the Estimates and annually voted, or which were paid out of the interest on moneys invested on trust, showing in each case the precise origin, by grant or letters patent, and the grounds stated in each case for the original grant of such pension, payment, or allowance; and when any such were actually paid to persons other than the persons named as the recipients in the Finance Accounts; showing to whom (with name and address) such payments were made, and why; and, further, showing how many of these pensions, payments, and allowances have since been commuted, and at what rates?—In answer to the honourable Member, I have here a statement which, I think, covers most of the ground to which he has called attention, in the shape of three schedules. The question is as to hereditary pensions, payments, and allowances; and I may, perhaps, say that I have confined the statement to hereditary payments; that is to say, to payments passing from father to son, or to the next of kin in the line of succession. I mention that because it will not include a number of payments of a perpetual character which belong to corporations or to charities. The question will require to be rather widened (there is no difficulty in giving an answer to it) if those are to be added.

6. Then I understand you to say that this statement does not include such payments in perpetuity

Mr. *Bradlaugh*—continued.

petuity, as, for example, land revenue allowances?—Land revenue allowances, which are not hereditary in their character.

7. Such, for example, as the payment to the mayor and burgesses of Cambridge?—Exactly so.

8. Can you also furnish to the Committee the list of such payments, pensions, and allowances in perpetuity which are not hereditary?—Certainly.

9. Have you it with you?—No, I have not.

10. Could you prepare such a list by the next sitting of the Committee? — Certainly. In answering the question I may say that if I had had time for it I should have had this schedule now in my hand printed and circulated to the Committee before this meeting; I have not had time to do that, but probably the Committee would wish it to be printed for their own use at once.

Chairman.

11. It would be better that that statement should be put in?—I am prepared to do that.

Mr. *Bradlaugh.*

12. I will reserve the whole of my questions on that list until the list has been distributed, or I might put unnecessary questions, or questions which would already have been answered; so that I put no questions at present upon that list until it has been circulated amongst the Committee; then my next question is, why, as all the payments are alike described by the Treasury as permanent charges, they are commuted at varying rates?—The Acts under which the Treasury commutes leave a discretion to the Treasury, and that discretion the Treasury has exercised to the best of its ability in dealing with such cases. I think the honourable Member will notice that there are not many different rates. The Treasury decided that a large number of small payments for charitable and ecclesiastical purposes gave the Treasury a great deal of trouble, and were a source of expense to them, and that it was a great object to transfer the payment of them to bodies better able to deal with them. It was, in fact, an object of economy to get rid of such small payments. They were transferred, almost as a rule, to the Ecclesiastical Commissioners or to the Charity Commissioners, and both those bodies objected to take the trust over, if in so doing the terms involved a very serious loss of annual payment. After a good deal of consideration the Treasury came to the conclusion that in such cases as those they were justified in allowing a somewhat larger term than they were prepared to allow in the case of individuals. Further, in these cases generally, as far as the Treasury investigation could go, it was difficult to see any time apart from the direct interference of Parliament when these payments might be brought to an end. In most of the payments to individuals there was a possibility of the pension dropping; that point also the Treasury had in view when they were considering the terms to be awarded. I think, speaking broadly, the terms are to individuals about 27 years' purchase. In these other cases of perpetual payments they are genetally about 30.

Mr. *Bradlaugh*—continued.

Chairman.

13. I understand that, acting according to the discretion given to the Treasury, you have made the best bargain you could possibly make for the Treasury?—The best bargain, as the Treasury thought, for the public consistent with equity.

Mr. *Bradlaugh.*

14. Shall I be right in saying that there are instances in which the Treasury commuted at as low as 10 years' purchase?—I have been rather embarrassed to find the cases to which the honourable Member refers. I know of one, but are there more?

15. That is the very question I was going to put to you; the case of the Lutheran Chapel is commuted at 10 years, I think?—That was a peculiar case. In the investigations which took place it was found that these different charges, the German Lutheran Chapel payment, which had been held to be a perpetual payment, and which I think that the recipients understood it to be such, was not so; but the Treasury thought it hard upon the recipients to put a stop to it at once, so they gave them a sum of 10 years' purchase.

Chairman.

16. Was that an hereditary payment?—It was a payment for the keeping up of a chapel.

Mr. *Bradlaugh.*

17. Was not that returned to Parliament in a Return laid annually before Parliament, but not printed, among the ordinary permanent charges commuted during that year?—It had always been paid, and it was commuted.

18. That is to say, it was treated in that Return as a payment in perpetuity?—That is so. It ought undoubtedly to have had a note attached to it to explain what had been done.

19. You have mentioned 27 years and 30 years, and we have had the one instance of 10 years; can you say whether there are any other terms at which any, either of the hereditary or of the permanent charges, have been commuted since 1881?—I think I ought to amend what I have said. In various cases we have given consol price, which will be rather higher than 30 years. The Committee will see price upon the list of these perpetual payments which are not hereditary, and which will be added to the schedules which I have before me.

20. In your first answer you were good enough to tell the Committee that you had prepared a statement which covers most of the ground; does the statement cover the ground of showing the origin, by grant or by letters patent, and the grounds assigned for the grant?—I think so; but, inasmuch as this memorandum has been prepared in answer to the honourable Member's question, I should be glad if he would look through the Return first of all, and if he finds any omissions in it we shall be glad to make them good.

21. Then I will reserve all further questions

Mr. *Bradlaugh*—continued.

on that until I have seen it. You have spoken of Acts which leave discretion to the Treasury; is there any other statute now applying, or has there been since 1873 any statute applying to permanent charges except the 36th and 37th of the Queen, chapter 57?—And the Act of 1883.

22. Did the Act of 1883 apply to permanent or ordinary charges?—Permanent charges not determinable with the life of the holder.

23. What is the exact chapter?—Perhaps I may answer the honourable Member's questions as he put them. There is a power given to the Commissioners of Woods and Forests to commute pensions or permanent payments not exceeding 10 *l.* In 1866, in consequence of an Act which transferred the foreshores to the public from the Crown lands, an arrangement was made whereby an equivalent was given for the profit of the foreshores, and one of the considerations given was that nearly all the small permanent payments that hitherto had been charged upon the revenue of the Woods and Forests were transferred to the Consolidated Fund. I doubt, therefore, whether that power which I have spoken of as having been given to the Woods and Forests to redeem small payments up to 10 *l.* a year can be said to exist any longer, because the payments have been transferred to the charge of the Treasury.

24. Could you mention the exact reference to the statute under which the power existed in 1866; was it the 29 & 30 Vict. c. 62?—No; there was a power to commute all permanent charges and land revenues under an Act of 10 Geo. 4, c. 50, s. 52, and that Act should be read with 16 & 17 Vict. c. 56. In addition to that, there was an Act passed in 1856. It may be in the recollection of the Committee that a considerable discussion took place in 1856 upon a power which had been exercised by the Executive Government of redeeming certain hereditary pensions out of the gross revenues without bringing the payments before Parliament. That act of the Executive was very much questioned before the Public Moneys Committee, and although I am not able to say from actual knowledge that that is the case, I take it that in consequence of that discussion there was passed an Act, 19 & 20 Vict. c. 43, which authorised the Treasury to redeem out of the Consolidated Fund certain of these pensions, especially mentioning four of them. A discretion was given to the Treasury. I mention that because the honourable Member was alluding to my statement about a discretion: "In case the Commissioners of Her Majesty's Treasury shall agree with the persons or person entitled thereto for the absolute purchase of the said annuities" (which are given in the following schedule) "or parts of annuities, or any of them, or any part thereof respectively, for such sum or respective sums as may appear to the said Commissioners to be a just equivalent for the same."

25. Shall I be right in saying that prior to 1873 every time there was a commutation of what I will describe as hereditary pensions there was a special statute for one or more pensions authorising the Treasury?—No, I do not think so, because several pensions have been commuted without such an Act.

26. But in that very Act of 1856 are there not

Mr. *Bradlaugh*—continued.

several pensions specially mentioned?—These were the pensions alluded to in the Schedule to the Act of 1856: the Earl of Bath; the remainder of the pension to Henry of Nassau, which is generally called the Auverquerque pension; the annuity payable to the Duke of Grafton; and the annuity payable to the Duke of Schomberg.

27. That would be a moiety or a portion of the pension to the Earl of Bath?—They were nearly all portions then remaining.

28. The Duke of Grafton's was a special one, was it not?—I should call them all special.

29. I mean that in the Duke of Grafton's case there were a large number of pensions, all hereditary, to the same individual, and this specified some particular ones, did it not?—I do not quite follow you.

30. I will make the question clearer; there were two considerable payments in 1856-57 of commutation to the Duke of Grafton?—Yes.

31. Will you tell the Committee in respect of what they were made, what the payments were, how much in amount, and in respect of what they were made?—This pension that I am speaking of now was not the pension that was commuted at that time in respect to which that large payment was made; it was another one to the same individual.

32. Will you distinguish, for the information of the Committee, the pensions in respect of which the large payment was made, and the pension in that Act?—In the year ending the 31st March 1856 a pension charged on the gross revenue of the Excise of 9,000 *l.* a year, reduced by taxes to 7,191 *l.* 12 *s.* net, was commuted by the Executive Government without special authority from Parliament for the sum of 193,777 *l.*

33. You used the phrase, "by the Executive Government, without special authority from Parliament;" under what authority did the Treasury at that time act in commuting?—I believe they held that they were able, from precedent, to reduce what was really a charge upon revenue. You see this was a charge upon the gross Excise revenue, and they considered, rightly or wrongly, that they had the power to redeem a charge upon the gross revenue.

Chairman.

34, Was this a pension on the Excise?—On the Excise, payable out of the gross revenue of Excise before it reached the Exchequer.

Mr. *Bradlaugh.*

35. Shall I be right in saying that that was originally three pensions to members of the same family, with reversion to the survivor?—That was the case.

36. Beside the 9,000 *l.* gross which you have mentioned, was there about the same time, either the year before or after, another considerable pension to the Duke of Grafton?—I have mentioned to the honourable Member that that annuity was redeemed in the year ending the 31st March 1856. The Act which I have alluded to as empowering the Treasury to commute certain pensions named in the schedule, which pensions I have read out, was passed on the 7th of

Mr. *Bradlaugh*—continued.

July in the same year, that is to say, subsequent to that date; and that gave power to the Treasury to commute another pension belonging to the Duke of Grafton charged upon the Post Office revenue. The previous pension you will recollect, was charged upon the Excise. The amount of that annuity, or pension, was 3,384 *l.*

37. What was the gross amount of it?—I suppose the gross amount would be about 4,700 *l.*

38. Was that a pension which had been granted to another member of the family, and came by reversion to the Duke of Grafton?—I believe that was the case.

39. Can you say whether the sum paid in respect of this second pension, in addition to the 193,000 *l.*, was 125,000 *l.*?—I believe the honourable Member is right, but I have not got the figures.

40. Does your list show, beyond the two pensions which you have just told us were commuted to the Duke of Grafton, any other pensions which were payable to the Duke of Grafton in 1856?—Yes; a pension of 843 *l.*

41. That will be shown by your list; besides the pension of 843 *l.*, does your list show any other pension or allowance?—There is a question of a pension which is not up to the present in the schedules; but the honourable Member is aware, as I see from the question, that there was a large sum handed over to the Duke of Grafton invested in land.

42. I am not at present addressing myself to that, but am asking the question apart from that; you have mentioned one of 843 *l.*, one of a gross of 9,000 *l.*, and one of a gross sum of 4,700 *l.*; but besides those, was there not some other pension to the Duke of Grafton, Receiver of First Fruits and Tenths and Officer of the Pipe; perhaps that will refresh your memory?—There was another pension held by the Duke of Grafton, but which had ultimately passed out of the hands of the family; it had been sold.

43. Passed by sale; that is, a pension payable to the Duke of Grafton, but which had been sold by the family?—Which had been sold by the family.

44. Does your knowledge enable you to say whether or not the letters patent originating all this specified any consideration or not?—In return for which the pension was granted, do you mean?

45. In return for which the whole of these pensions were granted?—That I do not know; I am not able to say.

46. Supposing you are not able to tell the Committee, can you refer the Committee to any source from which they can get that information?—If the Committee will permit me, I will take note of the question, and see what information we have.

47. Then in addition to those pensions which you have mentioned, was there any other profitable hereditary allowance which the Duke of Grafton was in receipt of in 1856?—He had the enjoyment of certain lands which were bought out of moneys granted by Parliament in commutation of certain old duties which had been granted to the original Duke of Grafton.

48. Could you, at the next meeting of the Committee, furnish the exact particulars of that, or have you them with you?—I have not that with me in this schedule, but we can add it to the schedule.

49. Will you kindly furnish particulars showing what the profitable rights were, and what (if anything) was paid for the commutation of them?—Yes.

50. Then, in 1881, shall I be right in saying, as far as the Duke of Grafton is concerned, that the three which were then left alive were first 843 *l.*, in respect of the seals of the former Courts of Exchequer, Common Pleas, and Queen's Bench?—Yes.

51. Then a sum of 6,800 *l.* odd, in respect of butlerage and prisage, paid out of the interest of invested moneys?—That is to say, certain moneys had been laid out in lands, and it was whatever those lands produced.

52. Then I will say, paid originally out of the interest of invested moneys?—Yes.

53. Part of which invested moneys has since been laid out in land?—Yes.

54. And, in addition to that, the small pension which you say has passed out of the hands of the family by sale, of 62 *l.* 9 *s.* 8 *d.* in respect of the office of Remembrancer of First Fruits and Tenths and Officer of the Pipe?—Yes.

55. Have you any means of telling the Committee whether, in respect of the consideration for which the 843 *l.* and other pensions originated, there were any other permanent allowances to the Duke of Grafton?—At the present moment I am not aware of any; they do not occur to me.

56. Would you, between this and the next meeting of the Committee, kindly see whether there is any record of any other payment?—Yes.

57. What is the ordinary rate of commutation of pensions for life, or for a limited term?—The only case in which pensions are commuted are pensions of military, naval, and civil officers, who come before the Government Commutation Board, and the Commutation Board have a table which shows the number of years' purchase at which they commute a good life.

58. Have you that table with you; perhaps you will hand in a copy for the information of the Committee?—I will hand in a copy.

59. In the higher rates of commutation which you have mentioned to the Committee, and which apply, I think, to all the hereditary cases, has not the effect of the so-called commutation been to hand over to the pensioner a capital sum providing the full equivalent for perpetual payment practically?—Does the honourable Member mean that the recipient of the commutation money would, if he invested that sum, receive as much as he received previously from the Consolidated Fund in the shape of annuity?

60. Or even in some cases higher?—I should say not.

61. What would be your view?—I should say that the public in the case of these, which I call individual and hereditary pensions, have certainly made a profit.

62. Are you calculating your answer on Reduced Consols, or as they existed, say, in 1881?—I think the fair way is to take as a measure the price of Consols at the time when the commutation was made.

63. Perhaps

Mr. *Bradlaugh*—continued.

63. Perhaps if you have not made the calculation you might be able to answer that question more definitely at the next meeting of the Committee?—Quite so. I think it would be very desirable that the honourable Member and I should agree as to what the basis is; whether we are to make the calculation (as is, I think, the fair thing to do) comparing it with Consol price, at the time when the commutation was made.

64. In point of fact some of them will come before and some after the Reduced Consols?—The way in which I should work it out would be this: I will take a very early case, which looks a good one. There was a commutation made of a pension held by Lord Melbourne in 1825 or 1826. For that 25 years' purchase was given. If the honourable Member will allow me, I will put in the calculation which I shall make, comparing, on the basis of the price of Consols at the time of commutation, I will say, that grant with a grant made to Lord Cowper (I am taking anyone that comes into my head) and the ones that have been made since 1881.

65. Would it be in your power to add to that any information showing why the amount is higher, if I understand it rightly, than was paid in the case of Lord Melbourne?—Yes; I think the reasons were given; in fact there is a reason given in a Paper, which no doubt the honourable Member has seen, which is already before the House of Commons.

66. I am afraid I did not quite clearly express myself; if the reason is short, and you have it before you, will you give it to us?—Probably that will lead to a more complete understanding between us. In a Paper which is already before the House of Commons, laid before it on the 2nd of June 1856, No. 250, there is published a Treasury Minute dated the 13th of May 1853, and in the course of that Minute the Treasury state: "It is shown by Mr. Greenwood's memorandum" (Mr. Greenwood was the Solicitor to the Treasury at that time) "that the commutation of Earl Cowper's pension on the land revenue, recently sanctioned, is upon terms more favourable to the public, by the amount of several years' purchase, than that effected in Lord Melbourne's case in 1826, the prices of the public funds at each period being duly considered. The sum about to be paid to Lord Cowper is 26·613 years' purchase of the net amount of his pension, while the commutation proposed by his Lordship of his pension on the land revenue (viz., 1,595 *l.* 16 *s.* net per annum for 43,000 *l.*) is at the rate 26·945 years' purchase" (I take this particular instance because that is the rate, as the honourable Member knows, which has been followed since); "and as the price of stock has not materially varied since the commencement of the past month, the present offer is somewhat less to the advantage of the public than that recently accepted. Nevertheless, my Lords consider that it will be advisable to conclude the purchase on the terms proposed."

67. Besides the Acts to which you have referred, are you aware whether, prior to the Act of 1873, there were any other Acts under which the Treasury had authority to commute permanent charges?—Besides the Land Revenue Act, the 10th Geo. 4, c. 50, and the Act of 1856,

Mr. *Bradlaugh*—continued.

there was that power which has already formed the subject of conversation in the Committee, under which the Treasury had commuted certain pensions without any specific authority from Parliament for so doing, out of the gross revenue; and, in addition to that, I believe there were one or two small pensions which were commuted in pursuance of a Vote in Supply in or about the year 1833.

68. Excepting authority under Vote of the House, and excepting authority under statute, can you give the Committee any reference tracing the first exercise of the power to commute by the Treasury?—The first one was that to which I have just alluded, of Lord Melbourne, in the year 1826.

69. Is there any record to which you could refer the Committee showing the grounds on which the Treasury thought they had the right so to act?—This Paper which I have just mentioned, No. 250, of 1856, gives extracts from the Minutes.

70. I think those extracts are also given in a Return which was published in 1869; but what I rather wanted was, not only a record of the fact that they had done it, but to know whether, besides the Votes of the House, and besides the statutory powers, there is anything to which you can refer the Committee showing what, in the opinion of the Treasury, gave them authority to commute outside those?—I could refer the Committee to a very lengthy discussion which took place upon this very point before the Committee on Public Moneys in 1856. The case was very completely argued by two men who were very competent authorities on the subject. The witness against the Government, if I may say so, was Lord Monteagle, formerly Chancellor of the Exchequer.

71. It was Mr. Spring-Rice's Resolution on which the other Committee was appointed?—Yes. The defendant was Mr. Anderson, who was then head of the Finance Branch of the Treasury, and the point was discussed, and both men were subjected to very long cross-examination on the point; and probably I cannot refer the Committee to any place where they can better learn the reasons for and against the act of the Executive.

72. In what year is that Report?—In 1856.

73. Is the title of it the Report of the Committee on Public Moneys?—Yes.

74. It is not the ordinary Public Accounts Committee, such as we have now?—No, the Committee made all their inquiry in 1856 and reported alone in 1857; therefore, it is necessary to get hold of the 1856 volume.

75. Then your list that you have handed in will contain, I think, three sums: one of 100 *l.* 10 *s.* 10 *d.*, Duchy of Lancaster; one of 20 *l.*, the Duke of Rutland; and one of 60 *l.*, the Duke of Norfolk, as permanent charges?—It will.

76. Were those commuted to the Duchy of Lancaster and the Duke of Rutland in August 1883?—Yes.

77. And to the Duke of Norfolk in March 1883?—Yes.

78. Had those sums prior to that date been paid out of annual Votes of Parliament?—Since

Mr. *Bradlaugh*—continued.

the year 1856 they were paid out of annual Votes.

79. Were they always described, and are they described in the annual Return made by the Treasury of the commutation, as "Creation Fees"?—Yes.

80. Does your Paper which you have handed in show the origin and nature of those fees?—Yes, it gives shortly, as far as we can describe them, what those fees were.

81. What do you say they were?—I have before me a quotation from a very well-known book, Stubbs' Constitutional History, which perhaps will explain better than anything else the nature of these fees. Would the Committee like me to read it?

Chairman.

82. If you please?—It is stated in Stubbs' Constitutional History, Volume III., page 434, that, when a Duke was created, he generally received a pension of 40 *l.* per annum on his promotion, which was known as creation money. In the case of a Marquis the creation money was 35 *l.* (page 435). The same author states (page 436) "that the Earl's creation money, 20 *l.*, was a substitute for the third penny of the county, of which little is heard after the 13th century" (I believe the third penny of the county really belonged to the Earl as representing the Royal authority in the county); "and that the retention of this payment probably suggested the bestowal of creation money on those who were raised to the newer ranks of the Peerage. The creation money of a Viscount was 20 marks (page 526)."

Mr. *Bradlaugh.*

83. Have you made any research or had any research made beyond Stubbs?—No, we have not on the general question.

84. On this particular question, on the origin and nature of these three fees, I am limiting myself to now?—We have here a copy of letters patent under which the grant was made to the Earl of Rutland (*producing it*).

85. That will be handed in?—Yes.

86. Is it not a fact that these payments to the Dukes of Lancaster, Rutland, and Norfolk are not at all in respect of the creation fees to the Dukes, but are in respect of monies received by Earls of counties for administration of justice for centuries prior to the existence of a Duke in this country?—I do not think I should be prepared to answer the question as to the reasons for a payment dating so very far back, beyond what I have just stated.

87. But as you have referred to Stubbs, have you referred to any other authorities?—No; the honourable Member asked a question, and we referred to a well-known book for an ordinary description of the point he mentioned.

88. Stubbs there practically copies from Gibson's Political Index?—I was not aware of that.

89. Have you had your attention called to Coke's Institutes, Part I., Book III., Chapter 1, Section 248, or if not will you refer to it for the purpose of answering this question at the next meeting of the Committee; is not this fee, described as creation fee, really the survival of the third penny taken from before the Conquest by the Earls of each county having custody or guard of their counties out of the fees paid by suitors, and out of which the Earl then remunerated his Viscount or Sheriff holding the ancient County Court?—I think that is put briefly in Stubbs, is it not?

Mr. *Bradlaugh*—continued.

90. Stubbs rather puts it as creation fees?—He makes allusion to the fact that he thinks this particular creation fee replaced the third penny.

91. Only my question is directed to show that there was no creation fee, but a survival; and my next question then would be, can your learn for the Committee when the Earl ceased to have any duties in connection with these third pennies, whether the whole of the duties did not cease when courts were established by statute in this country, and whether in fact the three payments have not been survivals of forgetfulness?—The answer I should return to that question is this: that looking at these letters patent it would appear to me that the duties in respect to which this creation fee was created are not mentioned. It will be for the Committee on reading the letters patent to see whether that is the case or not.

92. The letters patent which you hand in are letters patent of the creation of dukedoms, are they not?—No; that is one to the Earl of Rutland (*producing it*).

93. The one in the case of the Earl of Rutland has no mention of payment at all, has it?—Yes, it speaks of 20 *l.* a year.

94. Will you now please tell the Committee under what Act of Parliament or by what authority those three sums have been commuted by the Treasury?—The Treasury considered that these came under the definition of an annuity "payable out of the Consolidated Fund," this is Section 2 of the Statute of 1873); "or moneys voted by Parliament either in perpetuity or for a period not determinable with the life of the individual to whom the same is for the time being payable.

95. I need not say these are not charged on the Consolidated Fund?—No; they are charged on the moneys voted by Parliament.

96. Have the moneys ever been voted by Parliament for a longer term than one year?—No.

97. Were they not always specific votes of that sum in that year without any reference to their continuance?—That would be the case, because, as the honourable Member is aware, since the year 1860 or 1861 all the voted moneys are only for services coming in course of payment within the year.

98. But shall I not be right in saying that in the very class in which those appear there was another payment which until it was commuted was described as an annuity, showing that it continued for more than one year as payable to the heirs of a particular individual?—Certainly; but exactly in the same way, if Parliament did not choose to vote that money, the annuity could not have been paid. In all these cases the Treasury would hold that the mere fact of Parliament voting the sum for the year does not injure the perpetual character further than this: that Parliament is supreme authority, and exactly in the same way Parliament can revoke the Act under

Mr. *Bradlaugh*—continued.

under which sums charged on the Consolidated Fund are paid.

99. May I understand you to put it that the Treasury say that these three sums were granted by Letters Patent, either in perpetuity or for a term not determinable with the life of the person on whom they were bestowed?—That would be the contention of the Treasury.

100. But you have also contended that outside the statutory authority, and outside the authority given by the Votes, there would be some authority in the Treasury illustrated in the discussion which you have explained took place in the Report of the Committee on Public Moneys?—I have only mentioned that as an historical fact. The honourable Member asked me under what circumstances pensions had been commuted, and, of course, it became necessary for me to state what had been the fact. I do not imagine that the Treasury at the present moment would regard that as a living power.

101. Then I take it that the Treasury have commuted in the past by virtue of some power, neither statutory nor by Vote of Parliament, and the Treasury claim no such power to-day?—That is my view. The honourable Member will see, when he reads this discussion which took place, that a certain amount of stress is laid upon the fact that many of these pensions were charged upon the gross revenue, and an argument *valeat quantum* was based upon that fact of a power on the part of the Treasury to relieve the gross revenue of a debt without coming to Parliament. I am not clear that even at that time the Treasury would claim power to redeem in that method a charge on the Consolidated Fund, or on Votes of Parliament. I think myself that the discussion is rather historical now, because I take it that the Treasury would not claim any such power.

102. If I may take it that the Treasury do not claim that power now, I will not ask another question on that; do you hand in to the Committee a copy of a Memorandum on the Penn and Marlborough pensions submitted to the Treasury on the 9th June 1884?—I have it here to hand in.

103. Was any investigation whatever, as far as you know, made by the Treasury into the allegations in that Memorandum?—The Memorandum handed in by the honourable Member on that occasion was considered at the Treasury at the time; but I suppose what the honourable Member asks is whether, in presence of what was done afterwards, any consequence was given to it.

104. That is hardly passing in my mind at the moment; I rather take the act without reference to the results for a moment?—I would say that the Memorandum which the honourable gentleman handed in was considered at the Treasury.

105. Is there any record to which you could refer the Committee of anything which was done upon it?—The honourable Member's question, I think, is "investigations into the allegations." The honourable Member will note my answer, which was that the Memorandum was considered. I am not able to lay before him or the Committee any investigations which followed upon it.

Mr. *Bradlaugh*—continued.

106. One of those pensions was payable to William Penn, I think?—Yes.

107. Was one of the allegations in the Memorandum handed in, that the persons to whom the Treasury proposed to pay the commutation money were not heirs?—Yes.

108. Was any step whatever taken to ascertain whether that allegation was true or not?—I have told the Committee that I could not lay before them a proof of investigations made upon the Memorandum handed in by the honourable gentleman; but the facts were these: An investigation had taken place into this point some five or six months before; the question had been referred to the legal advisers of the Treasury to tell them whether they considered the Penn pension in the nature of a perpetual payment, and whether the Treasury was justified in regarding the then recipient of the pension as a person in receipt of a perpetual pension; and the answer of the legal advisers of the Treasury to that (and those papers were in the hands of the Treasury at the time when the honourable Member's Memorandum was considered) was decisive, to the effect that the payment was a perpetual one, and that the Treasury was justified in dealing with the then recipient of the pension as in receipt of a perpetual pension.

109. Do I understand that the points as to the Penn pension stated in that Memorandum were submitted to the legal advisers of the Treasury in the statement which they advised upon?—I have been most careful in stating that this took place before his Memorandum was received; but all the facts, I believe, were referred to the legal advisers of the Treasury to advise upon. The ground upon which they went, I believe, was the Act of 1790, and upon that Act of 1790 they advised, and they also investigated the succession under which Colonel Stuart, who was the recipient of the pension at the time when commutation took place, was held to be the representative of the family; and they considered, and advised the Treasury upon the subject, whether there might probably be a lapse of the pension through lack of heirs.

110. The statement I presume submitted to the law officers was a written case?—The question was referred to the Solicitor to the Treasury to investigate and advise the Treasury as a lawyer would, upon the value of the title to the pension.

111. Was there any written statement before the Treasury upon which the Solicitor to the Treasury expressed his opinion?—I should like to look at the correspondence again before I attempt to answer with regard to a thing upon which I speak from memory.

112. I leave these matters until the next sitting of the Committee, and I will leave the questions on the Marlborough pension as well. Now, coming to the payment of 16,216 *l.* 15 *s.* 1½ *d.* now charged on the Consolidated Fund in perpetuity for the Duchy of Cornwall in lieu of tin coinage, post groats, and white rents, was that sum fixed in 1838?—It was.

113. Prior to the 1st October 1838 were the receipts from tin coinage, post groats, and white rents part of the income of the Duchy of Cornwall?—

Mr. *Bradlaugh*—continued.

wall?—Yes; the honourable Member's question shows that he is aware that one part of those was then under lease, but they formed part of the rightful income.

114. Can you say, or need we go to the Duchy of Cornwall representative for that, from what other sources besides his coinage, post groats and white rents, did the Duchy of Cornwall derive its net income, and to what amounts, for each of the 10 years prior to the 1st of October 1838?—The Treasury among their records have no information on that point. The honourable Member is aware that it is under an Act of 1838 that provision is made for the yearly laying before Parliament of the accounts of the Duchy of Cornwall. The honourable Member, no doubt, has referred and knows those Returns that are made yearly; I have here the first one, to which, of course, previous ones would be similar.

115. That would be for what year?—The year ending Michaelmas 1838.

116. Can you tell me what net income (the net only) of the Duchy of Cornwall is shown on that year; shall I be right in stating that the net income was 11,536 *l.*?—It looks very much like that here; I have not worked it out. I make out the expenditure to be about 13,000 *l.*

117. Does the Return you have before you enable you to say that in that sum of 11,536 *l.* there were not only included the receipts from tin coinage, post groats and white rents, whatever they were, but also rents of lands, fines on renewal of leases, royalties on minerals, and interest on investments?—Yes, all those headings appear here.

118. So that the payment in perpetuity of 16,216 *l.* 15 *s.* 1½ *d.* was in lieu of some portion only of 11,536 *l.*?—It formed part of a gross revenue of which the honourable Member is now stating the net.

119. Is a sum of 630 *l.* 14 *s.* 2 *d.* a part of the sum now paid of 16,216 *l.* 15 *s.* 1½ *d.*?—It is.

120. Was that sum precisely fixed in lieu of post groats for Cornwall?—That is the case.

121. Is it true that the Duchy of Cornwall, during the 10 years preceding the 1st of October 1838, received 10 *l.* per year and no more in respect of such post groats?—The post groats duty in Cornwall was granted by lease dated 31st July 1813 to Mr. Benjamin Tucker, to hold for a term of 17 years from the 5th July 1823, at the reserved rent of 10 *l.* per annum, expiring on the 5th April 1841.

122. Then, is that practically yes to my question?—Yes.

123. Did his late Majesty King William IV. signify, and how, and when, his pleasure that such post groats should cease on and from the 5th April 1841?—A Return was laid before Parliament under the Act 1 & 2 Vict. c. 120, the Commutation of the Tin Duties Act, stating the amount of the compensation payable on account of the repeal of the coinage duties on tin, and also a return of the gross annual payments, and of the costs, charges, and expenses to officers and others in respect of the tin coinage duties in the Duchy of Cornwall during the preceding 10 years. The reference number is 204, of the Session of 1839. Attached to that Return is a copy of a Treasury Minute, in which this is stated: "But, inasmuch as his late Majesty had expressed his intention that the post groats in Cornwall should cease after the 5th of April 1841, on the termination of the existing lease, and Her Majesty has been pleased to confirm such intentions, it does not appear to my Lords that the sum of 630 *l.* 14 *s.* 2 *d.* should be provided for beyond the 5th April 1841, and that the compensation should after that date be diminished by that amount."

Mr. *Bradlaugh*—continued.

124. Is there any more authoritative document or record showing that his late Majesty so signified?—We have no information of it, that I am aware of, at the Treasury; but the Treasury would consider that the Board of Treasury of that day would not have put such a statement as that upon a public record without sufficient authority.

125. So that you have really no doubt that his late Majesty King William IV. did signify his pleasure that such post groats should cease on and from the 5th April 1841?—That would be the view of the Treasury.

126. Then was Her present Majesty pleased to confirm such intention soon after her accession?—In the passage from the Minute which I have read that is stated also.

127. Did the Lords of the Treasury, by the Minute which you have just read, direct that the sum of 16,216 *l.* 15 *s.* 11½ *d.* should be diminished by the sum of 630 *l.* 14 *s.* 2 *d.* from the 5th of April 1841?—They stated that, "Inasmuch as the receipt of post groats in Cornwall, 630 *l.* 14 *s.* 2 *d.*, will cease on the 5th of April 1841, on the termination of the existing interest, this annual sum will be diminished by such amount from that date."

128. That is, in fact, a direction to diminish the larger sum you have named by that precise sum of 630 *l.* 14 *s.* 2 *d.* from the 5th of April 1841, is it not?—That would be the effect of it.

129. Is there any subsequent Treasury Minute relating to that sum?—After that date in the year 1841 there was some correspondence with the lessee of these post groats, which resulted in a continuation to him of the duties for another six months; and about that time, that is to say, in the course of the year 1841, the Council of the Duchy of Cornwall addressed a letter to the Treasury calling their attention to the fact that King William IV. and Her Majesty, as long as they had the usufruct of the revenues of the Duchy of Cornwall, that is to say, as long as a Duke of Cornwall did not exist, could waive their own individual rights to these post groats, but that they had no power to surrender the rights of those who came after them, or replaced them. In that decision the Treasury acquiesced.

130. I am afraid I did not make myself clear; my question was: Is there any Treasury Minute whatever of later date than the 15th of February 1839, relating to the sum of 630 *l.* 14 *s.* 2 *d.*?—No.

131. Do you put in the letter from the Duchy of Cornwall?—I think there is no objection to putting it in; but perhaps I may put it to the Chairman of this Committee whether it would not be desirable that I should have direct authority for putting it in.

132. Then I will reserve all further questions on

Mr. *Bradlaugh*—continued.

on that; now I ask you, do you put in the correspondence of 1841 that you have mentioned, between the Treasury and some other persons?—I will also take instructions on that point.

133. Then at present I simply ask for those, and the matter can be raised again; shall I be right in saying that the Treasury Minute of the 15th February 1839 was made under the special direction and authority of Parliament, as expressed by the 1 & 2 Vict. c. 120?—The Minute was made in pursuance of that Act.

134. And was reported to Parliament in pursuance of that Act?—And was reported to Parliament in pursuance of that Act.

135. Can you say whether this correspondence, whatever it may be when we see it, was ever communicated to Parliament?—I believe not.

136. Can you say whether any intimation was ever made to Parliament that the Treasury Minute of the 15th February 1839 had been disobeyed and disregarded?—I do not know that I am quite prepared to say "disobeyed and disregarded."

137. Perhaps that is a wrong way of putting it; can you say whether it is true that the fact has ever been communicated to Parliament that the payment had been continued in direct contravention of the Treasury Minute of the 15th of February 1839?—I am not aware that any intimation has been made to Parliament that the sum of 630 *l.* 14 *s.* 2 *d.* was not abated from the payment in question.

138. Would such a payment in ordinary course come before the Comptroller and Auditor General, or any such official?—At the present time, do you mean?

139. No; at any time between 1841 and now?—In 1841 there was no such auditor; until after the passing of the Exchequer and Audit Act there was no audit really of charges upon the Consolidated Fund.

140. In 1841 can you tell me whether there would have been any authority to whom the Treasury would have notified, say, payment in excess of the Vote?—The honourable Member's question is not quite in accordance with the financial procedure.

141. I will put what I have no doubt is an absurd case. In 1841 there was a payment of 500 *l.* to the heirs of Clarges; supposing 510 *l.* to have been paid either by accident, or negligence, or design, is there any person or any authority to whom that fact ought to have been notified by the Treasury at that time?—As the matter stood then, I think, taking this particular charge, it was a charge on the Consolidated Fund, was it not?

142. No; I do not know why, but it was always kept in the Votes?—I do not think in 1841 there would have been anybody to report that to Parliament.

143. When, in point of time, was the first period when it would have been the duty of the Treasury, if 510 *l.* had been paid in lieu of the 500 *l.* voted to the heirs of Clarges, to have communicated that fact to anybody, and to whom?—I will endeavour to put the statement more in accordance with our financial procedure. The

Mr. *Bradlaugh*—continued.

Treasury are, of course, bound not to exceed a grant of Parliament; but the whole control of Parliament is based upon a not implicit confidence that the Executive will always do what is right. Parliament, therefore, has established an independent officer in the shape of tho Comptroller and Auditor General, who now receives, and from the year 1868 has received, the accounts of each Vote with vouchers; and it is his duty to report to the House of Commons if any sum has been paid in excess of Parliamentary authority.

144. Then did the Treasury in 1868 draw, or have they at any time since, drawn the attention of the Comptroller and Auditor General to the fact that 630 *l.* 14 *s.* 2 *d.* had been paid beyond the authority of Parliament?—No; but I must call the honourable Member's attention to the fact that it is a question whether that is beyond the authority of Parliament. The Act, as I understand it, authorises the Treasury to commute the existing tin duties; that is a standing power which exists at the present moment. In consequence, as we learnt in this Treasury Minute of an intimated surrender by the Sovereign of his personal right in it, the Treasury stated that on the determination of those duties the sum payable out of the Consolidated Fund would be diminished by so much. The surrender has not proceeded. I should not be prepared to admit that it was in contravention of the Act.

145. But as a matter of fact, since 1868, have the Treasury ever drawn the attention of the Comptroller and Auditor General to the fact that this was ordered to be diminished on the 15th of February 1839, that no subsequent authority for its continuance ever emanated from the Treasury or from Parliament, and that it was notwithstanding paid?—No. I should explain that I think it would have been proper for the Treasury, after the receipt of the protest from the Duchy, to have renewed their direction for the discontinuance if they intended their previous order to stand. The order for the payment emanates from the Treasury, and the officers of the Treasury would follow the Standing Order until a further Order directed its discontinuance. Talking of what happened 40 or 50 years ago, I do not insist upon that view of the case, but I think that is extremely likely to have been so. I am not saying that it might not have been advisable or better to have a Minute on record, stating clearly the Treasury intention; but certainly, since the time when the payments was continued, that is to say, the birth of the Prince of Wales, the Treasury has not put upon record, as far as I am aware, its reasons for continuing the payment at the preceding rate.

146. Do I understand you that according to the practice of the Treasury when the Lords of the Treasury direct a payment to cease it continues, unless they make another Order?—In this case the direction for the payment is for 16,216 *l.*, and there is a future statement that on a given date it would cease.

147. Is not there a specific direction that the sum is to be diminished from the 5th of April 1841 by that sum?—"This annual sum will be diminished by such amount."

Mr. *Bradlaugh*—continued.

148. Is not that a specific direction?—But you see it was continued after that; it did not cease.

149. Coming back to my question, when the Treasury direct a payment to cease is it necessary that there should be a second direction of the Treasury in order that the cessation should have effect?—You see it was continued afterwards by Treasury Minute, as you are aware.

150. Pardon me; assuming the Treasury to direct some payment to cease, does that payment cease in consequence of that direction, or is it necessary to give a second direction to the same effect?—Certainly, it would be necessary now to give a second direction. The honourable Member is asking me about what took place 50 years ago, and of course he is asking me rather to guess what were the reasons for it. I am quite ready to say this: I find no record directing its continuation. I do find an intimation from the people responsible for the Duchy of Cornwall that the surrender made by the Sovereigns William IV. and Her Majesty, did not continue longer than that time. In consequence of that I see the continuation of the payment, and on that I should say that the Treasury must have acquiesced in the claim of the Duchy.

151. You have no knowledge of the acquiescence then, if I understand you rightly, except the inference from the fact that the money has always been paid, though it was directed not to be paid?—That is exactly the case.

Chairman.

152. But did you not say that there was a Minute directing the continuance?—There was a Minute directing a continuance for a time, because the lessee made some claim. This does not bear on the immediate point which the honourable Member is speaking of, but it was continued for a time in order to meet some claim of the lessee.

153. And your contention is that the waiver of the Sovereign's was a waiver, as far as they were personally concerned, of their own rights, but did not extend, there being no Prince of Wales at the time, to the rights of the heir?—That is how I understand it.

Mr. *Bradlaugh.*

154. But do I understand you to say that after the Treasury Minute of the 15th February 1839, directing this sum of 630 *l.* 14 *s.* 2 *d.* to cease, there was any Treasury Minute of any kind whatever directing it to continue?—There was a Treasury Minute for temporary continuance.

155. Will you kindly refer me to it?—That is the correspondence which the honourable Member has been speaking about.

156. Then when we get that correspondence will it show a Treasury Minute?—It will show a Minute for the temporary continuance beyond the 5th of April 1841.

157. For now long?—My recollection is for six months.

158. A continuance of the 630 *l.* 14 *s.* 2 *d.*?—For six months; that is my recollection of the continuance.

159. Have you looked at it lately?—Yes; I have not got it here, but I think I am correct in saying that. I have not been laying stress upon that, because it is only a temporary continuance, which I do not think has any great bearing on the point which I suppose the honourable Member is anxious to elicit.

160. I am afraid I did not understand you accurately. I thought the correspondence was with the lessee?—With the lessee for a continuance of this for a period beyond the 5th of April 1841.

161. But the lessee was the person who paid only 10 *l.* a year to the Duchy of Cornwall?—But he had been receiving this 600 *l.* a year.

162. This 630 *l.* 14 *s.* 2 *d.* from the Treasury?—From the Treasury, after 1838.

163. Do I understand that the Treasury by some Minute after the 15th of February 1839, gave Benjamin Tucker some right to receive the 630 *l.* 14 *s.* 2 *d.*?—Yes, for a period.

164. That sum then had been paid by the Treasury, do I understand, to Benjamin Tucker?—Up to the cessation of the lease.

165. And to the Duchy only the balance?—On the 10 *l.*, do you mean?

166. No. We have the sum of 16,216 *l.* 15 *s.* 1½ *d.*, of which the 630 *l.* 14 *s.* 2 *d.* was a part, and, as I understand you now to say, Benjamin Tucker, who was the lessee of the post groats, received direct from the Treasury?—No; I think I can make it clear. The whole sum of 16,216 *l.* was issued to the Duchy. They paid this sum, whatever it was, 630 *l.* odd, as long as the lease subsisted, to Mr. Tucker. When the lease ended on the 5th of April 1841, on some ground or other, a claim was put forward, as far as I recollect, by Mr. Tucker, and for a further limited time this sum was paid.

167. The claim by Benjamin Tucker is in writing?—It is in writing, I believe. I have not got it here. I am guarding myself a little in the matter, because not thinking it is very germane to the point which the honourable Member was asking a question upon, namely, whether the continuance of the post groats was payable to the Duchy of Cornwall, I did not take a note of the exact facts.

168. Did the Treasury take any cognisance whatever of the way in which this 630 *l.* 14 *s.* 2 *d.* went from the Duchy to Tucker, if it did go?—Not that I am aware of.

169. Then I do not quite follow (excuse my obtuseness) what the correspondence between Benjamin Tucker and the Treasury is?—I am not sure whether it was Benjamin Tucker himself, or whether it was Benjamin Tucker through the medium of the Duchy of Cornwall.

170. The latter probably is the case?—Yes; at all events it was a claim or petition for the continuance for a time of this sum.

171. Then, as I understand, in 1841 some petition, or claim, for a temporary continuance of the 630 *l.* 14 *s.* 2 *d.* is made either by Tucker, or by the Duchy on his behalf, or by the Duchy on their own account?—By the Duchy on his account.

172. And some temporary continuance for a period, you think, of about six months was then granted by the Treasury, which will appear in some correspondence?—Yes.

173. I do

Mr. *Bradlaugh*—continued.

173. I do not know what would be the habit of the Treasury in reference to a money grant; would it be recorded in any way?—In such a case as this a charge on the Consolidated Fund, an order is given to charge such a sum on the Consolidated Fund; and from that time forward the payments would be made under the authority of that grant. At the time I am speaking of the warrant would be sent to the Exchequer Office, and it would have been the duty of the Comptroller of the Exchequer, as he was then, to satisfy himself that the sum was in accordance with the authority given by Parliament before he authorised the issue out of the Exchequer.

174. How long would it be your official duty to know anything about these matters yourself; from what period?—I have had about 30 years' service in the Treasury.

175. When was your attention first personally drawn to any question about this 630 *l.* 14 *s.* 2 *d.*?—The attention of myself personally, when I received these questions of yours; I never, as far as I remember, had my attention drawn to it before.

176. Do you know any official of the Treasury, other than yourself, whose duty it would be to take cognisance of such a point if within the knowledge of the Treasury?—If the honourable Member presses it home, it is the business of the officers of the Treasury to be omniscient in all these matters, and if they are not omniscient, they must take the responsibility of having neglected something.

177. Whose duty, if it be the duty of anyone at the Treasury, would it be to draw the attention of the Comptroller and Auditor General to this sum of 630 *l.* 14 *s.* 2 *d.*?—It would not be the duty of anybody at the Treasury to call the attention of the Comptroller and Auditor General to a charge of that kind; the Comptroller and Auditor General is put there to find it out. But I think I know what the honourable Member meant; he wants to know who are the officers of the Treasury responsible, and I am quite prepared to answer. The persons immediately responsible, I should say, would be the heads, the people who have been successively at the head of the financial branch of the Treasury, and that is a post which I held for very nearly 15 years.

178. Shall I be fair in putting it, that as far as you have been concerned, you simply found that the payment had been going on for years before you held that position of responsibility, and that your attention was never directed to any question as to any portion of it until I raised it?—That was the state of things; I think, however, that now that attention has been drawn to it in the manner in which the honourable Member draws attention to it, I may admit that I think it extraordinary, out of the ordinary, that there was not a Minute at the time. I think that if I had seen the paper without the special attention that has been drawn to it now, I should have understood it myself, though not in a very formal manner, not a properly formal manner, as an acquiescence in that intimation; because I could hardly understand how it would be possible that when a body like the Duchy of Cornwall

Mr. *Bradlaugh*—continued.

intimated, did not ask, but intimated, that the post groats had not ceased (I think it comes to that), the Treasury if they dissented from it should not have answered the Duchy and given their reasons for such non-acquiescence in the contention of the Duchy.

179. I suppose you have had your attention drawn to the fact that the duties of Customs payable on tin, of which the post groats were a part, were absolutely directed to cease and to be abolished by the 1 & 2 Vict. c. 120?—Yes; and therefore what I ought to have said was that the compensation in lieu of it had not ceased. I said that the Duchy of Cornwall stated that the post groats had not ceased; but I should have said, the compensation in lieu of it.

180. Then I think we have got it now (I trust you understand that I am only trying to get at the facts in the matter), that there is no formal Treasury Minute whatever since that of the 15th February 1839?—Except that which relates to the temporary continuance of the post groats compensation.

181. And would that be a formal document?—That would be a formal document.

182. How are Treasury Minutes generally recorded?—Either on the paper itself, the letter that is written, or on a sheet of paper put with the letter, in addition to which a communication to another department, written in pursuance of the Minute, would be found in the record book for that department.

183. The record book is a book that contains a record of all Treasury Minutes, is it?—No, of all Treasury letters written in pursuance of the Minutes.

184. What is the distinction technically between a Treasury letter and a Treasury Minute?—A Treasury Minute is a Minute of the Board. The Lords of the Treasury read such and such a letter, and if it is necessary to do so they put on record their reasons for their decison. They then say, let a letter be written in such and such a sense, to such and such a department. The letter written would be found in the letter book of that department; for instance, the Duchy of Cornwall book. The Minute would only be found with the papers.

185. Then, in reference to the temporary continuance for this six months, or whatever the short period was, there is a Treasury Minute, is there, with the papers?—Yes, there is. The honourable Member will take my answer that I have looked at these papers, but I have not taken them as bearing very particularly upon the point that the honourable Member has in mind, and therefore I can only say that my recollection is that they are all in order, and regular.

186. But with the exception of this Treasury Minute for the continuance for the six months, is there any other Treasury Minute whatever for its continuance for any longer term?—Not in my knowledge.

187. Now, going back to the Grafton case, as to which you gave me a number of facts, I will refer you to the annuity, as to which I have not asked you anything yet except the fact of there being an annuity of 6,870 *l.* to the Duke of Grafton. Was a sum of 229,000 *l.* invested in the

Mr. *Bradlaugh*—continued.

names of trustees in order to secure the payment of that annuity?—That was so.

188. How much of that 229,000 *l.* is now existing so invested?—I believe the sum is stated in the Return to Parliament of 1881.

189. And, as far as you are aware, there has been no change, no more of the money sold out, since that date?—The Treasury, as such, would have no information upon that point.

190. Is not the First Lord of the Treasury one of the trustees of that money?—He is; but he does not, within my knowledge, put upon record in the Treasury his actions under the trust.

191. Have you any account in the Treasury showing how and at what times the sum of 229,000 *l.* was reduced to 30,555 *l.*?—No, we have not.

192. Have you any account in the Treasury showing that the difference between 30,555 *l.* and 229,000 *l.* was laid out in land?—As far as I am aware, we have no special information in the Treasury; I mean by special any information separate from that that is contained in the Acts of Parliament.

193. Is there any Act of Parliament which identifies the lands purchased with the portion of the 229,000 *l.*?—I do not think in the Grafton Act of Parliament that the lands are specified.

194. Then suppose the Grafton family to cease to-morrow, am I right in saying that these lands ought to revert to the Crown?—You are asking me a question for a lawyer; it turns upon the interpretation of the Act of Henry VIII., I believe.

195. But let us see; in the event of the failure of heirs in the Duke of Grafton would the Crown have had the right to that money, the 229,000 *l.*, in default of heirs male?—It is the case, I believe, that the Crown would have the reversion.

196. Have any steps been taken by the Treasury to see that the lands which have been purchased with the money which ought to revert to the Crown are capable of identification and recovery in the event of the reversion falling in?—I do not think that we have at the Treasury any information on this subject. All dealings on the express subject of these trusts form the subject, or have formed the subject, as far as any information that I have goes, of correspondence between the First Lord of the Treasury and the family trustees; and therefore anything, of course, that I have to say must cease there. Of course I can refer, if the Committee wish it, to the First Lord of the Treasury.

197. Then, although the Crown had the right to the body of the funds in safe custody, and the reversion of the body of funds on heirs male ceasing, is it true that no steps whatever have been taken by the Treasury to secure the running of the trust with unknown lands bought out of that money?—I have no information beyond the fact that the references are made to the First Lord of the Treasury, and I am not able to say what the First Lord of the Treasury has done.

198. Is there anyone on behalf of the Government, any permanent official (the First Lord of the Treasury is, of course, a temporary one), whose duty it would be to protect the interests of the State in that respect?—No, except under instructions from the First Lord of the Treasury.

199. I am afraid I must continue the examination a little further to make it clear; it is stated in the Return that the lands are "subject to the provisions of an Act of Henry VIII."; is the Act which the Treasury refer to in that Return the Act of the 34 & 35 Henry VIII., c. 20?—I have not got the reference to the Act.

200. Will you learn whether that is so by the next time the Committee meet?—Yes.

201. If that be so, as that is only an Act to "Imbarre feigned recoveries of land wherein the King's Majesty is in reversion," will you be kind enough to supply, if there be any information in the Treasury, such information as will identify the lands of which the Sovereign is in reversion?—I have made myself, I hope, intelligible to the honourable Member, that I have no knowledge, as a permanent officer of the Treasury, about this matter. The precautions taken may be complete. The only person to whom I can make reference, and I should ask whether it would be the wish of the Committee that I should do so, would be the First Lord of the Treasury.

202. But is there any permanent official at any time charged with the duty?—No, not that I am aware of. I do not know any permanent official to go to.

203. Is there any record whatever of any First Lord of the Treasury having communicated to the Treasury any reduction by selling out of the moneys?—No; not that occurs to me now.

204. Then I will ask you if you will be kind enough to search between this and the next meeting of the Committee, and ascertain when the last sum, if there is any record at the Treasury Office, was sold out?—Yes.

205. Whether it was when Lord Palmerston was First Lord of the Treasury, and whether any communication at all took place at that time?—Yes.

206. If you wanted to ascertain on behalf of the Crown what lands the Crown was entitled to in respect of this portion of the 229,000 *l.*, to whom would you go for information?—We could only act through the First Lord of the Treasury. The First Lord of the Treasury being in the trust could take his own steps for ascertaining the state of the trust, I presume.

207. As far as the Treasury is concerned, subject to any research on the last question I mentioned, it is a perfect blank at the Treasury as to any lands whatever subject to the trust mentioned in this Return, as reverting to the Crown in default of heirs male?—As far as I am aware that is the case.

208. Had you anything to do with the preparation of this Return of the 14th of February 1881?—No.

209. Would you know what official would prepare it?—It was prepared in what was my Department of the Treasury at the time.

210. From whom would the information be got that the lands "are vested in the same trustees, and settled to the same uses and for like interests as the Consols"?—I do not know that it would be

Mr. *Bradlaugh*—continued.

be got from there, but I should think that very probably that information was got from the solicitors to the trust themselves.

211. Would that mean the private solicitors of the Duke of Grafton?—I think in all probability so.

212. Would you search and see if there is any correspondence with the solicitors to the Duke of Grafton prior to the preparation of this Return?—Yes.

213. Then I shall have to go back to that after you have searched, and I will leave it for the present; there is a sum of 19,000 *l.* referred to in the same Return (at the bottom of page 2) to the Duke of Richmond; have you any account showing how and when the sum of 633,333 *l.* 6 *s.* 9 *d.* was reduced to 86 *l.* 0 *s.* 9 *d.*?—No; I have to give the same answer with regard to that, as far as the Department of the Treasury is concerned, as I have given in the case of the Duke of Grafton; but probably the honourable Member is aware that there is a great deal more information given in Acts of Parliament with regard to the lands bought for the Richmond property than for the Grafton.

214. You have referred in your answer to Acts of Parliament; I think there is one Act which schedules a form of declaration of trust which ought to be executed?—I believe there is.

215. Have the Treasury ever taken any steps whatever to see that any such declaration of trust has ever been executed?—Not that I am aware of.

216. The Treasury have no copy or record of any such declaration of trust?—No, not that I am aware of. The honourable Member will see that the First Lord of the Treasury is named as the official trustee.

217. But the First Lord of the Treasury is a fluctuating element?—Quite so; but it would be through him that the Treasury would be moved to take action; that is what it comes to.

218. But when so large a sum as 633,000 *l.* is dealt with, being reduced to 86 *l.* only, would the First Lord of the Treasury, in the common order, make no communication to the Treasury?—I presume that the First Lord of the Treasury would satisfy himself that all the steps that were being taken, and to which his assent as a trustee was required, were in accordance with the law, and carrying out the law.

219. But as it is in no sense a secret matter, would not the permanent officials see that the temporary official, the First Lord of the Treasury, was protected by some record of what was done?—That would emanate from the First Lord of the Treasury, not from his subordinates, I think. However, whatever the case may be, the particulars about which the honourable Member asks, are not, so far as I am aware, on record at the Treasury.

220. And are there no declarations of trust, or no intimations of any declarations of trust relating to these lands within the knowledge of the Treasury?—Not so far as I am aware.

Mr. *Bradlaugh*—continued.

221. I see the Return says that 86 *l.* 0 *s.* 9 *d.*, "is retained only to keep the trust account open"; does it occur to you what advantage there is in keeping the trust account open as to the 86 *l.* 0 *s.* 9 *d.*, and taking no precaution as to the 633,300 *l.*?—I do not know. I do not believe the Treasury had anything to do with the keeping of that 86 *l.* on the account.

222. But I suppose the money could not have got out of the Bank of England without the consent of the First Lord at the time being?—Quite so; I presume that the First Lord for the time being satisfied himself that he had performed his duty.

223. Are there any cases in which the First Lord has an official duty to perform with reference to payments small or large?—It used to be a very common thing, I think, to bring him personally into trusts of this kind.

224. And are there not in matters somewhat similar to this record of the action taken by the First Lord of the Treasury?—I do not know of any case; I have given you the two cases in which as far as that goes, whatever the right or wrong, there is the fact, that there are no records.

225. Then if we want any information as to the case either of the Duke of Rutland or the Duke of Grafton, there is no one whom you can suggest other than in the case of the Duke of Grafton, the solicitors with whom you have had some correspondence; would you have had correspondence with the solicitors of the Duke of Rutland about this?—No; I do not think that the Treasury would feel themselves at liberty. A communication might take place or it might not, but my view of the proper method of proceeding is only to proceed through the First Lord. If the Committee were to express any desire to know more about it, the only step which I consider is open to me is to convey to the First Lord the wish expressed by the Committee.

226. Supposing the Treasury to have written to the solicitors of the Duke of Rutland and the solicitors of the Duke of Grafton at the close of 1880 or in the early portion of 1881 with reference to each of these matters, would there be any record of those letters?—I think it extremely likely that this information given in the Return of 1881 may have been got through the First Lord at the time; that the First Lord was asked about it, and that he got it from the solicitors to the trusts, who would know about it.

227. Will you search whether there is any correspondence existing in relation to that?—I will.

228. Correspondence of the nature, for example, in the case of the solicitors to the Duke of Rutland, of, at first, absolute refusal to give information, pressure from the Treasury to them to give it, and information ultimately given?—I do not know of any such correspondence. I will search for any correspondence that there is.

Friday, 11*th March* 1887.

MEMBERS PRESENT:

Mr. Biddulph.	Mr. Mundella.
Mr. Bradlaugh.	Mr. Arthur O'Connor.
Mr. Chance.	Mr. Bryn Roberts.
Mr. Curzon.	Mr. James Stuart.
Mr. Jennings.	Mr. Vernon.
Mr. Mowbray.	Mr. Whitley.

THE RIGHT HONOURABLE A. J. MUNDELLA, IN THE CHAIR.

Sir REGINALD EARLE WELBY, K.C.B., re-called; and further Examined.

Mr. *Bradlaugh.*

229. WITH reference to the Schedule in Paper No. 3, page 2, the last item but one: "Duchy of Lancaster; Annuity in lieu of Prisage and Butlerage on Wines," can you tell me whether prisage and butlerage on wines there meant the right to take as much wine as the King pleased within the limits of the County Palatinate of Lancaster at such price as the King fixed originally?—I believe that is a correct statement of this old right of the Crown. I think the honourable Member will find it interpreted in some old books as finally commuted into a right to take one cask from before the mast and one cask from behind the mast in every ship importing wine.

230. And I think it was limited by resolution in the House of Commons early in the reign of William III. to one tun of wine out of every ten?—I was not aware of that limitation, but no doubt the honourable Member is right.

231. Shall I be right in saying that the annuity there was one of several annuities in relation to such rights of butlerage and prisage which were fixed about the end of last century, or the beginning of this, roughly?—There was a Report of a Commission, or rather I think of two Commissions, which reported in 1784, and again in 1797, that the dues of this kind were inconvenient for trade, and that it would be desirable to commute them; and in consequence of that there were a variety of commutations, as the honourable Member states. I think this commutation was not completed until very many years afterwards; but the Act which granted this commutation recites a previous Act empowering the Treasury to commute, and ratifies the Act of the Treasury under it.

232. Are the only survivals of permanent annuities in lieu of Prisage and Butlerage on wines the one to the Duchy of Lancaster, and the one to the Duke of Grafton?—The one to the Duke of Grafton is hardly now in the shape of an annuity; it is in land.

233. But whatever may be the legal position of the one to the Duke of Grafton, are the one to the Duke of Grafton, and this one to the Duchy of Lancaster, the only one now surviving?—There was a commutation (I am speaking now from memory) somewhere about the end of last century, of the right of Butlerage and Prisage in Ireland to the Earl of Ormonde, I suppose the Marquis of Ormonde now. There was an Act under which a sum of money or a sum in Consols was granted to Lord Ormonde in lieu. I am not able to say in what form it stands now, whether there is any trust connected with it, but there was such a commutation as well as these two.

Mr. *Bradlaugh*—continued.

234. From your researches of the case in the Marquis of Ormonde, do you think that there were similar investments with like trusts, as in the Grafton case?—I have not investigated the Ormonde case recently; and I am therefore speaking entirely from memory, and the only thing I can say is that my recollection is that there was an Act which fixed the commutation, and it is extremely probable that there may be something of the same limitations in that Act; but that I cannot speak to without reference to it.

235. Would you kindly cause search to be made for it, for the information of the Committee?—I will.

236. I do not find in any of your lists the payments charged on the Consolidated Fund, the Heritable Usher of Scotland, 242 *l.* 15 *s.*; and the Hereditary Keeper of Holyrood House, 133 *l.* 5 *s.* 4 *d.*; they are on page 64 of the Finance Accounts?—We omitted from the return payments which are stated as salaries. If the honourable Member will look at those payments, they are stated as salaries; a salary is assumed to be payment for service done.

237. So I presume; but would it not be that the payment to the Master of the Hawks which is given by you on page 8 of the Paper No. 1 is a salary?—Of course we have to make an interpretation for that. I suppose it is known that there are no hawks, and therefore we treated it as an allowance. Nothing would be easier than to put these allowances in, if the Committee thought that they came under the heading of the sums that ought to be returned.

238. The

Mr. *Bradlaugh*—continued.

238. The reference of our Committee is to inquire into Permanent Pensions, Allowances, and Payments; and I suppose they would come under the allowances or payments?—We took the meaning of the reference to the Committee to be Perpetual Pensions, that is to say, pensions for which practically no services are rendered, and that is the reason why we omitted these things which are classed as salaries.

239. Can you tell us whether there are any other permanent allowances or payments in perpetuity which you have also omitted for similar or other reasons?—There are two or three of these. If the honourable Member has got the Finance Accounts before him he will see that there are three or four offices of this kind in Scotland classed along with those to which he calls attention. Of course there is a separation between some of them. I think I am right in saying, that "Six Trumpeters," which you see is the next item, are not perpetual. There is one here which is stated to be hereditary, and I think the one which the honourable Member has mentioned in his question, "Heritable Usher," is so.

240. Would you kindly cause a list to be made for the Committee of the Permanent Payments and Allowances which you have omitted?—Yes, certainly. I should like to have somewhat of a definition of that. Now, for instance, perhaps the honourable Member will look at the Finance Accounts there. The salaries with which this is classed begin with "The High Commissioner to the General Assembly of the Church of Scotland." As long as the Church of Scotland exists, that office exists; at all events until Parliament abolishes it.

Chairman.

241. Certain returns you have not made, I understand you to say?—We have not put in certain payments which are classed as salaries.

242. And are they salaries that are hereditary?—Some of them are; a few of them are hereditary. If the Committee desire me to put in those that are hereditary that can easily be done, and that will be a guide to me as to which I am to return, if I may understand that I am to put in those salaries which are hereditary.

Mr. *Bradlaugh.*

243. Every payment or allowance, whether in the nature of salary or otherwise, which is hereditary; perhaps you would kindly prepare us such a list?—Yes.

244. Now, turning to Paper No. 1 (App. No. 1, p. 42), taking the first item, which relates to the representatives of Jeffery Lord Amherst, and directing your attention to the column "Origin," where it says that "the King was induced, subsequent to the war during which those services were rendered, to direct that a grant should be made to his Lordship, his heirs and successors, of a certain tract of land in that province," that is to say, Canada, I have to ask you whether the ground of the original grant of the pension of 3,000 *l.* to the representatives of Jeffery Lord Amherst was not that his late Majesty King George III. had proposed to grant to Sir Jeffery Amherst, afterwards Lord Amherst, the estates belonging to the Jesuits in Canada?—I believe that is the case.

Mr. *Bradlaugh*—continued.

245. Then, the description of the origin here is not verbally correct?—Of course, the descriptions given are almost necessarily of a somewhat general kind, and it may be desirable to put them out fuller. We have endeavoured to state what we thought was the necessary part of the description for it, and we do not pretend to a verbal reproduction.

246. Is not what I have just read to you less lengthy and more explicit?—That is a question of drafting.

247. But it is so, that the origin of the grant was an intended grant of the estates belonging to the Jesuits in Canada?—I believe that to be the case.

248. Now, have you had your attention directed to the Statute 1st Anne, s. 1, c. 7?—That is the statute which limits the power of alienation by the Crown, is it not?

249. Yes; now, can you tell me whether, pursuant to that statute, such a grant, if it had been executed by King George III., would not, in the words of the statute, have been "utterly void and of none effect"?—I do not think, if I may say so to the honourable Member, that my opinion upon the matter is of much value, because it must be a lawyer's interpretation: but possibly the honourable Member is aware that that statute in its interpretation had a limitation. For instance, probably the honourable Member is aware that it did not extend to Scotland, and it is open to contention, I should think, that it did not extend to Canada, which did not form part of the possessions of the Crown till nearly 50 years afterwards.

250. As a matter of fact it would be true that no grant was executed by King George III. to Sir Jeffery Amherst at all?—I gather so from the recital, but beyond that I do not know whether there was or whether there was not.

251. Then the ground of that pension is the failure to receive any benefit under a grant which was never made?—Yes, possibly so. The position of the Treasury was this: the Act of Parliament was their direction; they could not go behind the Act of Parliament as to whether the King was right or wrong in the method in which he caused the claims of Lord Amherst to be stated.

252. I think this pension was commuted by the Treasury in August 1885, was it not?—It was.

253. After considerable attention had been drawn in public to the objectionable character of this and other pensions?—Considerable attention had been drawn to various pensions. I do not recollect this particular pension being mentioned, but very probably it was so, within the knowledge of the honourable Member.

254. You were good enough to refer the Committee on the last occasion to an examination of Lord Monteagle before a Select Committee on Public Moneys, and I will refer you to Question 134 in that Evidence, and I will read to you a passage from Lord Monteagle's answer: "I think

Mr. *Bradlaugh*—continued.

"I think that the purchase and extinction of such allowances of a permanent kind charged on revenue is most desirable for the public service, but I think that Parliament has a right to be informed of that transaction, and of the terms under which it is carried into effect, so as to lend a sanction to the matter before it is finally completed;" do you agree in that view of Lord Monteagle's?—Yes, generally; but the Committee will recollect that between the time when Lord Monteagle gave that answer and the present time there has been a special authority given by Parliament to the Treasury to commute perpetual payments by means of a ten years' loan the condition attached being that the acts of the Treasury, the commutation acts of the Treasury, should be communicated to Parliament in the Session during which they take place. Therefore, Parliament has given to the Executive Government a discretion which was not in existence at the time when Lord Monteagle made that answer.

255. Referring to Paper No. 2 (App. No. 2, p. 57), and to the letter of Thomas Abbot, of the 8th of July 1841, have you been able to find whether there was any answer in writing ever made by the Treasury to that letter?—No, there was not; there is no official answer on record.

Mr. *Arthur O'Connor.*

256. What was done with the letter; what is the Minute upon it?—The letter bears upon it the word "Read." At that time the Board of Treasury sat, and papers were read before the Board, and it has been a very common minute upon papers, if no direction was given upon them at the time, to put "Read." But I can trace now no reason why no further directions were given upon the paper; anything I can say about that must be only conjecture on my part.

Mr. *Bradlaugh.*

257. Then shall I be right in saying that, as far as you are able to learn, there is no Treasury Minute whatever on the subject of the letter of the 8th of July 1841?—That is so.

258. And that the state of things in relation to that 630 *l.* 14 *s.* 2 *d.* is accurately represented thus: a Treasury Minute directing the payment to cease on the 5th of April 1841; a further Treasury Minute on the 7th of June 1841, directing a sum of 315 *l.* 7 *s.* 1 *d.* more to be paid; and no other Treasury Minute of any kind whatever on the subject?—Not that I can find.

259. Have you been able by any search to ascertain whether any, and if any what, negotiations took place with the late Duke of Marlborough for the commutation of the perpetual pension of 5,000 *l.* gross?—I have not been able to find any record.

260. Referring to Paper No. 1 (App. No. 1, p. 43), the first item on that page, "Duke of Marlborough," what provision, if any, has been made in the recent commutation as to the rights of the Crown in reversion to the Honour and Manor of Woodstock, and the Hundred of Wootton?—They are not affected by commutation; I think if the honourable Member has consulted the Acts he will see that the Pension Act and the Woodstock Act are two separate Acts. The Act affecting the Manor and Honour of Woodstock stands exactly as it did before the commutation, and is not affected by it.

Mr. *Bradlaugh*—continued.

261. And any rights that the Crown had, the Crown still has, and there has been no bargain as to those rights?—That is the case.

262. Now I will trouble you with one or two questions, simply on the evidence you gave last time, and I will refer you first to Questions 55 and 56 in the Minutes of Evidence; can you now inform the Committee further as to any other allowances or payments to the Duke of Grafton; you kindly promised to search whether there were any other payments; can you now inform the Committee further as to any other payments or allowances to the Duke of Grafton?—The only case which I have been able to find out is one of which, I think, the honourable Member is aware, namely, that the Duke of Grafton was made Perpetual Ranger of Whittlewood Forest. When that forest was disafforested, I think it was about 30 years ago, there was a commutation of his rights and privileges as Ranger for a certain amount of land, and that land was transferred to him as an estate.

263. Can you say the nature of the land transferred?—It was part of the forest; it included a lodge, a country seat, which he, as Ranger, had been able to occupy, and a certain amount of land. I think the land may be described as about 500 acres, which was given to him as a grant representing his rights as Ranger upon the disafforestation. Therefore I think, perhaps, as far as I understand the papers, 500 acres represents the money value of the rights and privileges.

264. Five hundred acres and Salcey Lodge, shall I be right in saying?—This is Wakefield Lodge. Wakefield Lodge is the house in Whittlewood Forest; probably it would be more convenient to the honourable Member, rather than learn from me second-hand the information about it, to refer to a full description of the transaction in a Report of the Commissioners of Woods and Forests.

265. In what year?—It is in the year 1858, the 36th Report of the Commissioners of Woods and Forests, presented to Parliament in the year 1858.

266. Shall I be correct in summarising it by saying that the result of that, as shown by that Report, was practically an additional money benefit to the Duke of Grafton of some 30,000*l.* or 40,000 *l.* in value?—His rights there were commuted for 500 acres.

267. And were there 240 acres, or something of that kind besides, with Salcey Lodge?—I do not find in that Report, and have not seen yet, the circumstances under which he became entitled to Salcey. I would like to mention that I see from these papers that the Duke of Grafton had, as the honourable Member says, some 200 or 300 acres in Salcey Forest, and the Lodge; but I do not see here, at all events, that that was part of the grant under which he was Ranger of Whittlewood. I will make an inquiry about it, because I have not found it in this place.

268. Then

Mr. *Bradlaugh*—continued.

268. Then perhaps you will kindly continue your researches on that, and let us have the result of it in a future meeting?—I will.

Mr. *Arthur O'Connor.*

269. What was the amount of land disafforested in connection with Wakefield Lodge?—The disafforesting was about 4,000 acres altogether. In the map of Whittlewood Forest made for the purposes of disafforestation the area is stated to be about 4,061 acres.

270. Whereabouts is it?—Whittlewood Forest is near Buckingham; Buckingham is about the nearest town to it, I think.

Mr. *Bradlaugh.*

271. Referring now to your answer to Question 196 on the same subject, have you made any reference to the First Lord of the Treasury, or otherwise, since you were before the Committee?—After the sitting of the Committee I stated the result of the questions which the Committee had put to me to the First Lord of the Treasury, and by his desire, and under his authority, I had some communication with the representatives of the Duke of Grafton and the Duke of Richmond.

272. Confining myself for a moment to the answer as to the Duke of Grafton (I will take the other separately), has the result of your communication with the representatives of the Duke of Grafton enabled you in any way to identify the lands purchased out of the 229,000 *l.* which you told us was invested?—The representatives of the Duke of Grafton empowered me to inform the First Lord, as one of the trustees, that they could give a statement of the sums sold out of the funds and invested in land, with dates, and the description of land bought. I may say, in addition to that, that under the Duke of Grafton Act of 1815 copies were directed to be deposited at the Land Revenue Office.

273. Is that the Act under which the moneys were invested?—It is the 55th George III., Chapter 56. It is a private Act. Here the Act is, if the honourable Member would like to look at it (*handing it to Mr. Bradlaugh*).

274. It is, "An Act for enabling the sale of all or any part of the Stocks already transferred in redemption of part of the annuity of 6,870 *l.*, payable out of the Consolidated Fund, in lieu of the duties of prisage and butlerage of wines;" and so on?—Yes.

275. Will you now finish your answer?—Copies of the transactions were to be deposited with the Land Revenue Office. I have made inquiry at the Land Revenue Office, and the copies deposited do not appear to be complete; but, I think, they are very nearly so, and I have a précis of them (it is not complete yet), which it may be convenient that I should put in. But perhaps the honourable Member will let me show it to him, and then he will be able to judge to what extent it meets his wishes.

276. What is it a précis of?—Of the sale and purchase transaction as deposited at the Land Office Revenue.

277. Now on that, referring you to the Return of the 17th of January 1881, page 3, can you say

Mr. *Bradlaugh*—continued.

why in that Return Parliament was referred to an Act of Henry VIII. as being the Act the provisions of which governed this land, when in reality the Treasury had before them the Act of the 55th George III., Chapter 56, of which they said nothing?—The only reason I can give for that is, that in that very Act which the honourable Member has open before him the Act of Henry VIII. is mentioned; I understand that that is the Act which gives a reversion to the Crown. I would refer the honourable Member to Section 3 of that private Act.

278. I see that this Statute of the 55th George III., Chapter 56, enacts that duplicates of all conveyances of land under this Act are to be deposited in the Land Revenue Office; has that been done?—That is what I have just been mentioning to the Committee; that under that direction copies of the transaction are directed to be deposited at the Land Revenue Office; and from the copies there has been prepared this précis which I am proposing to hand in.

279. I am not quite sure whether I have made myself clear; as a matter of fact, have you learned that duplicates of all the conveyances have been, or that some of them have not been, so lodged?—I mentioned before that, as far as our present searches go, the record does not appear to be complete; and it may be that two, three, or four have not yet been found.

280. Of the deeds, do you mean?—Of the deeds; but the greater part of them are on record there in accordance with the Act.

Mr. *Arthur O'Connor.*

281. How many deeds ought there to be altogether?—I can only give a guess at that; I should say that they were 10 or 12.

282. How many are missing?—That I cannot say. I should be able to supplement that, if the Committee wish to have it, by the Return which the representatives of the Duke would give; but that Return has not been given me yet; and it would not be given except upon an expression of the wish of the Committee to have it.

Mr. *Bradlaugh.*

283. Whose duty, if the duty of anyone, would it have been on the part of the Treasury to see that the provisions of this Act of 55th George III., Chapter 56, were carried out?—That would be according to the directions of the Act. Does the honourable Member find any directions in the Act as to seeing that that is carried out?

284. I cannot say that I do. Then the Treasury have no knowledge of anyone whose duty it was to see that, when a portion of the trust funds were sold out, they were really invested in lands subject to the same trusts?—There is no direction there upon the case. The Land Revenue Office, which has now no special interest that I am aware of in the matter, was directed by that, as I read it, to receive these copies when offered; but I do not see it put upon the Commissioners of Woods and Forests, or their subordinate in charge of the Land Revenue Office, that he is to keep a watch over the transactions

Mr. *Bradlaugh*—continued.

of the estates, or the trustees, and ascertain that every deed has been deposited with them. They were mere recipients of that which the representatives of the estate chose to deposit with them.

285. But the First Lord of the Treasury was a trustee?—Yes.

286. And had the power under this Act, by writing, to appoint a person to act for him in the matters of this Act?—Yes.

287. Do you know, as a matter of fact, whether any such appointment was ever made?—I believe no such appointment was ever made.

288. So that, as far as this Act is concerned, the duty would rest, as a trustee, with the First Lord of the Treasury, or, if he had appointed any one, with such appointee?—Whatever duties there were would rest with the First Lord of the Treasury, and no doubt, if a substitute had been appointed, the First Lord of the Treasury could delegate his duties, or part of them, to such substitute.

289. Did I gather from you that the representatives of the Duke of Grafton have already furnished to you, since the last meeting of the Committee, any statement of account, a statement showing how the 229,000 *l.* had been reduced to the sum of 30,555 *l.*?—No; the communication which I took to the First Lord of the Treasury was that on request a statement of that kind would be made out, and could be placed at the disposal of the Committee. It will remain for the Committee to express their wish.

290. Then, I understand that the representatives of the Duke of Grafton have undertaken, if this Committee request it, to make out a statement showing how the 229,000 *l.* has been reduced to 30,555 *l.*, and in what lands the moneys have been invested?—As I understand the case, they are prepared to state the amounts invested in lands, and the dates, and I have no doubt that they would put against that a short description of the lands themselves.

291. But a conveyance should contain, should it not, the full parcels in each case of the lands bought?—I should like to have the desire precisely put of the Committee as to such particulars as that, so that there should not be a mistake about it.

The Committee-room was cleared.

On the re-admission of the public:

Chairman.

292. The Committee has adopted the following resolution: "This Committee requests the First Lord of the Treasury to furnish statements showing how the sum of 633,333 *l.* 6 *s.* 9 *d.*, invested in the case of the Duke of Richmond, has been reduced to 86 *l.* 0 *s.* 9 *d.*, and showing in what lands and at what dates each purchase was made; showing parties, parcels, and purchase-money respectively; and also showing the trusts, if any, declared by deed in respect of such lands respectively; and giving the same particulars in all respects with regard to the sum of 229,000 *l.* invested in the case of the Duke of Grafton." That you will communicate to the First Lord of the Treasury, and get the statements furnished as soon as you can?—Yes.

Wednesday, 4th May 1887.

MEMBERS PRESENT:

Mr. Biddulph.
Mr. Bradlaugh.
Mr. Chance.
Mr. Curzon.
Mr. Jennings.
Mr. William Lowther.
Mr. Mowbray.
Mr. Mundella.
Mr. Arthur O'Connor.
Mr. James Stuart.
Mr. Vernon.
Mr. Whitley.

THE RIGHT HONOURABLE A. J. MUNDELLA, IN THE CHAIR.

Sir REGINALD EARLE WELBY, K.C.B., re-called; and further Examined.

Chairman.

293. I THINK you had better formally now put in the Papers you have been good enough to circulate to the Committee, that is, Papers 4, 5, 6, and 6 *a*?—I put in Papers 4, 5, 6, and 6 *a*.

Mr. *Bradlaugh.*

294. Have you, in addition, a Paper with reference to the Duke of Richmond's investments?—I have recently received from the representatives of His Grace a Paper which they request me to put in for the information of the Committee (*handing in the same*). The Committee will perhaps allow me in putting in this deed to call their attention to the last paragraph of it. Part of the money placed at the disposal of the Duke of Richmond of the day was allowed to be laid out in land in Scotland; and the last paragraph in this Paper says: "The effect of these deeds" (certain deeds of 1861) "was to bar the entail and resettle the Scotch estates, including the small proportion of property in Scotland, purchased under the Parliamentary trust, and the entail was thereby extended." The attention of the First Lord of the Treasury was called to those words, which may seem to interfere with the Parliamentary reversion or to affect the Parliamentary reversion. This Paper has only recently been completed, but the First Lord intends to communicate with the Duke of Richmond on the subject, to ascertain what the precise effect of that deed is.

295. The Paper you have just handed in does not appear, looking at it roughly, to be anything like as full as the Paper handed in with reference to the annuity of 6,870 *l.* to the Duke of Grafton?—No, it is not. I thought that perhaps the Committee would like to have this Paper printed, in order to consider whether there are any further questions which it is necessary to have answered. I may perhaps explain to the Committee that there was no requisition in the case of the Duke of Richmond to register his deeds at the Land Record Office, and no doubt that requisition in the case of the Grafton property has been of considerable use in enabling the representatives of the Duke of Grafton to collect and

Mr. *Bradlaugh*—continued.

put together the different transactions. The Duke of Richmond not being under that obligation, if he had to take out of his muniment room all the deeds relating to this property, it would put him to a very considerable amount of expense and would involve much time. I thought that possibly with that explanation the Committee would read the Paper put in, and would consider whether the information is sufficient. Perhaps, bearing in mind the cost that may be incurred, the Committee would limit further questions so far as is consistent with the object of the Committee.

Chairman.

296. I understand from you that there is no indisposition on the part of His Grace to afford adequate information to the Committee for the elucidation of the case?—Not the least.

297. And that it is simply from the fact that he has not been required to deposit all the documents connected with the estate with the Land Registry, that it is more difficult to frame such a statement as you have made in the Duke of Grafton's case?—He has no index to his deeds (that is what it comes to), and it means a search through all his deeds that are together.

298. Extending over a considerable period of time?—Yes.

299. And it would be a matter of considerable expense?—His representative thinks so.

300. Do you think that the form of information which he gives is sufficient for the purpose of this Committee?—That I do not like to express an opinion about.

Mr. *Bradlaugh.*

301. In the case of the Duke of Grafton, he has given the date and particulars of every deed, the amount of purchase money, and the short abstract of the parcels, and the short abstract of the trust, with remarks upon them?—Yes.

302. Would it be an expense of more than a shilling or two in relation to each deed, to take similar particulars from the deeds of the Duke of Richmond?—

Mr. *Bradlaugh*—continued.

Richmond?—Of course I am only able to inform the Committee what the Duke of Richmond's representative said to me. As the Chairman has pointed out, there is no indisposition whatever on the part of the Duke to place this information at the disposal of the Committee, but his deeds are not sorted; that is the difficulty about it; and it would require a considerable search, and that search would involve upon his part expenditure.

303. As a matter of fact, supposing it were not the case of the Duke of Richmond (you had some considerable experience, and therefore I ask you the question), should you think that it would cost more than a few shillings per deed at the outside to furnish the same particulars in the case of the Duke of Richmond that have been furnished in the case of the Duke of Grafton?—About that I do not feel able to offer any opinion; I really do not know what the cost would be.

304. Shall I be right in saying that there is the same provision in the case of the Duke of Richmond as in the case of the Duke of Grafton, that the First Lord of the Treasury should be one of the trustees?—Yes, I think that is so.

305. Then do I understand you to say that the Duke of Richmond has not furnished to the First Lord of the Treasury, since this Committee has met, the particulars of any one deed to which the First Lord of the Treasury ought to be a party?—That is to say, copies of those deeds to which the predecessors of the present First Lord of the Treasury have been parties? No. I think that is the honourable Member's question?

306. Yes, that is my question. And the Paper you hand in to day absolutely gives no clue whatever to any single deed relating to any portion of the property?—No; I think that is a correct description.

307. Shall I be right in saying that the form of deed which ought to have been executed (I am not saying that it has not been: I have no knowledge on the point), is set out in the Schedule to the Statute of the first of this reign, a private Act?—There is a schedule of the properties bought.

308. No, that is not my question; I have not made myself clear. Shall I be right in saying that in the Statute of the first of this reign there is a Schedule giving the draft of a trust-deed intended to apply to properties bought. It is the 1st of Victoria, chapter 34. The Return says: "The declaration of the trust executed by the trustees is set out in another schedule." In point of fact, it is not the declaration executed, but the draft of the declaration which should be executed?—I believe there is such a draft of a declaration of trust, but I should like to refer to the Act, if the Committee will permit me, in order to see whether that declaration of trust is not confined to the Scotch property.

309. Have you at the Treasury or has the First Lord any kind of record of any declaration of trust which has ever been executed with reference to any of the lands mentioned in this Paper?—I think I have informed the Committee before that there are no records connected with the

Mr. *Bradlaugh*—continued.

references made to the First Lord under the trust which we can find at the Treasury.

310. The only general question I have now to trouble you with is this: have you, on looking over the evidence which you have had to do, and since, been able to obtain any further information which you wish to add as to any of the matters; there were several on which you said you would try whether you could get further information?—One point on which I said I would endeavour to find some information is this: The honourable Member asked me a question about commutation of prisage and butlerage, and he also asked me whether I knew of any case at all similar to that of the Duke of Grafton, and I mentioned the case of Lord Ormonde, and the honourable Member then asked me if I could obtain some information about that. Perhaps he would like to hear a short description of the Ormonde case.

311. If you please?—I will give you the whole paragraph. The beginning of it is a description of Prisage: "Prisage was a right the King had by ancient prescription of taking to his own use, and at his own valuation, as much of all merchandise belonging to merchant strangers, out of every ship importing the same, as he had occasion for, under the name of prisage. Customs were both fixed and uncertain duties paid on importation and exportation, according to the value of the commodities. Native merchants paid customs only, except in the article of wine, on which they paid prisage. Merchant strangers paid butlerage but not prisage, and natives paid prisage but not butlerage. Prisage was either single or double in Ireland; single prisage was one tun, when the quantity imported amounted to or exceeded nine tuns, but was under 18 tuns, and double prisage was two tuns when the quantity amounted to or exceeded 18 tuns. At a subsequent period the importers by agreement paid a certain fixed duty in lieu of prisage in kind. Merchant strangers were prised until Edward I. remitted them all prisage whatsoever in consideration of their paying him and his heirs the sum of 2 *s.* per tun on all wine imported, called butlerage, because paid to the King's butler, and 3 *d.* per pound on all merchandises imported and exported, except on wool, skin, and leather, for which they were before subject to alien duties. The prisage of wine in Ireland was originally granted by Henry II. in the year 1177, to Theobald, son of Herveius Walter, to whom the King gave the hereditary butlership of Ireland. After the Restoration, King Charles II., by letters patent dated 22nd April 1662, granted to James, Duke of Ormonde, and his heirs male, certain royalties, &c., in the county of Tipperary. These letters patent were recited at length, and confirmed by the Irish Act, 14 & 15 Charles 2, c. 20, in the same year. Under this grant 3,500 *l.* a year, Irish currency, were paid to him for several years out of the Civil List for prisage and butlerage of wine under the authority of King's Letters. In the Civil List establishment of King George I., dated 23rd August 1715, to take effect from 25th March 1715, 3,500 *l.* was directed to be paid to the Duke of Ormonde for prisage. But the

Mr. *Bradlaugh*—continued.

the Irish Act, 2 Geo. I., c. 8, after reciting the British Act, 1 Geo. I., c. 17, by which the Duke of Ormonde was attainted of high treason for not surrendering himself to justice at or before 10th September 1715, annuls for ever the said letters patent, and declares all the possessions of the Duke of Ormonde, on 10th September 1715, to be forfeited to the King. Under the British Act, 7 Geo. I., c. 22, passed in June 1721, the forfeited estates of the late James, Duke of Ormonde, were for 50,000 *l.* purchased by his brother, the Earl of Arran. In 1733 the prisage duties were leased by him to the Crown for three years, from Michaelmas 1732, at the yearly rate of 4,000 *l.* This agreement continued to be renewed from time to time, till King George II., by his letter dated 9th April 1741, appointed a yearly sum to be paid during his pleasure to the Earl of Arran for these duties. In 1806 the Act 46 Geo. 3, c. 94, after reciting that it would tend to uniformity in the collection and application of the Revenue of Customs in Ireland if the duties of prisage and butlerage were re-vested in the Crown for the public service, with the consent of the Earl of Ormonde and Ossory, who was, or claimed to be, entitled to them, authorised the Treasury to treat with the Earl of Ormonde for the purchase of his rights in the prisage and butlerage of wines in Ireland. Under 50 Geo. 3, c. 101, the contract made for the purchase, at the price of 216,000 *l.* Irish, or 199,384 *l.* 12 *s.* 4 *d.* British currency, was confirmed, and this amount was granted by the Appropriation Act, 50 Geo. 3, c. 115, in 1810, and was paid out of supplies in the financial year 1811–12, when these duties became absolutely vested in the Crown."

312. I have the statute of the 1st of Victoria now, and you are quite correct. The draft trust-deed in that schedule I think was limited to the Scotch estates?—I thought so.

313. If you look at it you will see that it is so?—"Empowering the trustees to purchase lands in Scotland."

314. As far as the Treasury have means of knowing; you have no means of knowing that with regard to the Scotch estates any trust-deed in that form has ever been executed at all?—I have no means of knowing if any trust-deed in that form was ever executed; at the same time I have mentioned to the Committee the fact which the Duke of Richmond's Paper states at the close with regard to a deed executed in 1861.

315. But I see that while that is a general statement of the effect of these deeds, there is no recital of any deed by date or parties, showing that the solicitor who states that to be the effect has referred to any particular deed to get the trust from that?—No, there is nothing on the face of that to show it, but of course that is taken from a deed; I have seen the deed itself, but I do not pretend to know or give an opinion upon its contents.

316. Have you seen the deed sufficiently to tell the Committee anything about it?—No; the deed that I saw was an immense long deed of 30 or 40 pages.

317. That would be the deed applying to the Scotch property?—Yes.

Mr. *Bradlaugh*—continued.

318. Besides those properties set out in the first schedule of that Act, have you seen at all the deeds of trust relating to the other properties?—No; in fact, I only saw the outside of that with reference to that note made by the solicitor, because it was necessary that I should mention the fact to the First Lord.

319. The Scotch deed, when you saw it, was in the custody of the Duke's solicitor?—Yes, I think it was in the custody of the Duke's solicitor.

320. I am not aware of his name?—Messrs. Burch and Davidson.

321. As far as you know from your researches now, do the Papers which you have handed in to the Committee, from No. 1 to No. 6, inform the Committee as to every payment in perpetuity under the terms of the reference, whether hereditary, as you would distinguish them, or non-hereditary, as you drew some distinction on the last occasion?—We have tried to make our list as complete as possible, and I hope it is correct. I do not know any other place to go to to find any case that may have escaped us.

322. And you have nothing, as far as you know, to excite your suspicion that any have been overlooked?—No, nothing. There is one very small matter indeed; there have been one or two of these small perpetual payments that have not been paid for a great number of years; we practically look upon them as lapsed at the Treasury. There is a further correction which perhaps the Committee will allow me to make. I believe we made a mistake in stating the effect of the grant to the Duke of Richmond. The grant to the first Duke of Richmond was to the heirs of the Duke of Richmond; we made a mistake and put his "heirs male" in the Paper which has been circulated. My attention was called to the fact that there was such an error, and on looking at the Act, I see it is recited there, "his heirs," not "heirs male."

323. Have you a copy of the original grant at the Treasury or not, I do not mean the recital in the Statute?—No, I have not. My attention was called to the fact that it was the "heirs" and not the "heirs male" by the solicitor of the Duke.

324. Could you obtain for the Committee a copy of the grant with that material difference?—Certainly, I will take the instructions of the Committee as to that. Perhaps the honourable Member knows the preamble of the Act; and the Committee would be able to judge how far without sight of the original deed the preamble of the Act might be taken as sufficient. I quite understand the honourable Member's grounds, that he would not accept the statement of the recital; but if the Committee will allow me to read the words, perhaps they will see that it refers to an enactment to which we could refer at once. The words that I am alluding to are these: "Whereas by an Act of Parliament made and passed in the Session of the 39th and 40th years of the reign of His late Majesty, King George the Third" (I am now reading from the Act of 1868), "it was enacted that the annuity of 19,000 *l.* agreed upon as the consideration for such purchase of the said coal

Mr. *Bradlaugh*—continued.

duty as aforesaid should be issuing out of and charged upon the Consolidated Fund, and be paid to the Most Noble Charles, third and then Duke of Richmond, and the heirs male of his body, and in default of heirs male of his body, then unto the Right Honourable Lord George Henry Lennox, brother of the said Duke, and the heirs male of his body, and in default of heirs male of his body, then into the heirs of the body of the Most Noble Charles, first Duke of Richmond."

325. I have not that Act before me; if that is so enacted, that is an answer?—If the honourable Member would send for the 39 & 40 Geo. 3, c. 43, I think the answer would be sufficient.

326. Now I gather that, as far as you are aware, except those few pensions, as to which I do not ask you, which have lapsed and not been claimed for many years, you have given the Committee now references to every pension or payment, either hereditary or otherwise, in perpetuity?—That is our belief, and we think we have taken every means we know to satisfy ourselves.

Mr. *Jennings.*

327. I should like to ask you one or two questions on Paper No. 1. The list is complete, you say, so far as you know?—I think beyond No. 1 I have given you in another Paper.

328. That does not relate to pensions in the same category. Is there not a perpetual pension of 625 *l.* a year to Mrs. Sarah Hamilton and children, which is not in your list at all?—That is not a perpetual pension. You are speaking of a pension that appears, or did appear, in the Finance Account, are you not?

329. It is one of the hereditary pensions, is it not; a pension to Mrs. Sarah Hamilton and children, originally granted in 1797?—I think that is not a perpetual pension; what reason has the honourable Member for thinking so?

330. I have it from an old Parliamentary Return?—If the honourable Member has any reason to think so he may be correct. My impression is that it is not perpetual.

331. It is in the Parliamentary Return of 1876-77, "Miscellaneous Pensions;" it is a perpetual pension, I take it?—I think if we turn to the last volume of the Finance Accounts I shall be able to show the honourable Member that that has passed away. I will give the honourable Member the information, but my impression is that that has expired in ordinary course.

332. On page 6 of this Paper, No. 1 (App. No. 1, p. 46), there is an entry relating to the "Hereditary Chief Proclamator and Usher, G. H. W. Heneage"?—Yes.

333. As I understand this note, there was a Mr. G. H. W. Heneage who was the holder of these offices some years ago?—Yes.

334. Could you tell us what were the profits attached to those offices?—The amount that we paid him is the amount is the second column, 588 *l.* 6 *s.* 9 *d.*

335. Was that the salary?—That is the salary; that I think was the sum for which the profits of the office were commuted.

336. But I want to know what was the salary of the office?—That is all he received from us.

337. Do you know whether the duties of the

Mr. *Jennings*—continued.

office were of an onerous character at all?—I do not like to say now, but my impression is that it was a sinecure.

338. Could you tell us in what year the offices were abolished?—If the honourable Member will look at the description he will see that the offices were abolished by the Act 15 & 16 Victoria, chapter 73.

339. What I should like to know is were the receipts of this office greater than appears on this Paper, before the office was abolished?—I shall be able to get the information for the honourable Member. The abolition you will see took place a very long time ago. I shall be able to get for you what the basis of the compensation was.

340. Could you tell us on what ground the pension was awarded to Mr. Heneage, the office being itself a sinecure?—To the present Mr. Heneage.

341. On what ground was the pension awarded to a kinsman of the late Mr. Heneage?—It was an office that he held in perpetuity, and therefore when it was abolished he was entitled to compensation.

342. The office being no doubt a complete sinecure?—I should think it was. Without referring to the Papers of the time I should not be able to say that positively was a sinecure.

343. It was commuted, however, last year only, as I understand?—Yes.

344. For 15,852 *l.* 15 *s.*?—Yes. The honourable Member has asked me what the emoluments were on which he was awarded his 588 *l.* That took place when the Act passed.

345. As far as you know, no services whatever were rendered to the nation for this money, or for the salary attached to the office?—I do not like at the present moment to say that at the time the Act of the 15th & 16th Victoria was passed no duties were attached to the office; but from that time when the office was abolished of course he received the compensation sum for no services rendered.

346. So far as you know no services were rendered for this salary, or for this 15,852 *l.*?—If I say that it was a sinecure, I ought to know it positively.

347. But it appears, does it not, from the description here that it was a sinecure?—I should take it so.

348. And that no services were ever rendered to the nation for this money?—I have no doubt that Papers of the time when this annuity of 588 *l.* was awarded to Mr. Heneage in lieu of the emoluments of his office would enable me to answer the honourable Member's question.

349. Then on page 8 there is an entry of a pension paid to the Master of the Hawks of 965 *l.* a year?—Yes.

350. Is this still paid to the Duke of St. Albans?—Yes.

351. According to the note in the Paper I see that the Lords of the Treasury consider it "imperative" upon them to continue this payment?—The honourable Member will see that that is the opinion of the law officers on which the Treasury have acted.

352. You put it as the opinion of the law officers only?—"The right of the Duke of St. Albans

Mr. *Jennings*—continued.

Albans to the annuity was referred by the Treasury to the law officers in 1831, and they reported that the heirs of the first grantee of the office have such an interest in the salary granted as to render it imperative upon the Lords of the Treasury to make provision for continuing the annual payment."

353. So that practically this sum of money is to be paid for ever, so far as you know?—As far as we know.

354. And although all service for the money has long since ceased?—I presume the Duke of St. Albans does not keep hawks.

355. There are four falconers for whom 50 *l.* a year each is allowed, making 200 *l.*, and 600 *l.* a year is allowed for the "provision of hawks." I suppose neither hawks nor provision are provided; but what I wish to ascertain accurately is whether this expenditure on page 8 of 965 *l.* a year is to go on for ever and ever, without any break in it at all, so far as you know?—Of course in dealing with these questions, the Treasury act upon legal advice, and certainly my understanding is that we are advised that the Duke is entitled to payment.

Chairman.

356. I should like to ask whether you are aware whether the Duke of St. Albans has any duties of attendance on the Court or any Court duties devolving on him in consequence of the office that he holds?—No, I do not think so.

Mr. *Jennings.*

357. Then on page 9 there is a memorandum relating to the Dauverquerque pension; it was granted in 1694, I think?—Yes, it was.

358. Have you any information beyond that which you have given in this Memorandum, as to the services for which this pension was granted?—No. The honourable Member will remember that he, as Lord Grantham, was a well-known adherent of William III.

359. Yes, I am acquainted with what is stated in history of his career, but not with any services rendered to the nation for which he received 2,000 *l.* a year; history is silent as to that; I thought perhaps you might know?—No, I do not know that I have seen anything more than this fact; the King had the power of granting these pensions.

360. Then Lord Cowper appears to have received four-fifths of that annuity down to March 1853?—Yes.

361. Are you aware in what way he was connected with the Dauverquerque family?—I could not say now, but I think I should be able to trace it out if the honourable Member wishes it, and get the information.

362. I should like to know why 40,000 *l.* of the nation's money was paid to Lord Cowper for his interest in the pension?—I take it that he was a lineal descendant.

363. The sum of 375 *l.* 16 *s.* is still being paid to some one; to whom is that sum paid?—In the first column the honourable Member will see that it is now payable to L. L. Cohen.

364. Is he related in any way to the Dauverquerque family?—Perhaps the honourable Member will let me take these questions from him,

Mr. *Jennings*—continued.

and I will put in the answers as a further statement; at all events I can inform him what I am able to find out.

365. It is part of the business of this Committee to ascertain whether these hereditary pensions should be continued, and I want to ascertain if possible on what ground this money is being paid now. I should like to know therefore, why, and to whom, this 375 *l.* 16 *s.* is being paid after 40,000 *l.* has been given for commuting it?—For commuting a portion of it.

366. Then as to the Schomberg Pension, page 4, is 984 *l.* a year still being paid?—No, not quite. If the honourable Member will look, the four last payments are lettered (a) (b) (c) (d); and if he will look in the fifth column he will see that those represent sums that were commuted in 1883; that leaves 720 *l.*

367. Still being paid?—Yes.

368. To Mr. Powys and Mr. Gosling?—Yes.

369. Could you tell us what is the legal title of these persons to that pension?—That question also perhaps you will allow me to take down.

370. And whether they are descended from the Duke of Schomberg's family?—Yes, I will inquire as to that.

371. With regard to the Penn Pension, has the whole of it been commuted?—The whole of it has been commuted.

372. From 1790 to 1884, 4,000 *l.* a year was paid by the nation on account of the pension, was it not?—Yes.

373. And then 107,780 *l.* was paid to commute it?—Yes.

374. Is it not a fact that the persons to whom a pension and commutation were paid were not the heirs and descendants of William Penn at all?—I do not know that I can express any opinion upon that point. What is the case is that the Act of Parliament directed us to pay it to those persons, and I presume that Parliament was satisfied at that time that they represented William Penn.

375. And you have no means of knowing whether they were the heirs or descendants of William Penn or not?—No, we have none; we cannot go behind an Act of Parliament.

376. But there is no certainty whatever that this money ever went into the hands of any heirs and descendants of William Penn. As a matter of fact I believe there were no heirs or descendants of William Penn?—I do not know under what circumstances these gentlemen claimed.

377. Penn himself died in 1718?—Yes.

378. And the pension was not granted till 1790?—Yes. It is stated in the Act "that in consideration of the great extent of the losses and of the meritorious services of the said William Penn, it is worthy of the King's Royal munificence, and of the liberality of the British Nation; that a further provision should be made for the descendants of the said William Penn, and that the House of Commons has for that purpose resolved that the annual sum of 4,000 *l.* be granted out of the Consolidated Fund to the heirs and descendants of the said William Penn. The pension of 4,000 *l.* a year for ever was granted to certain trustees in trust as to

Mr. *Jennings*—continued.

three-fourths for John Penn, of Stoke Pogis, and his descendants, and as to one-fourth for John Penn, of Wimpole-street, and his descendants."

Chairman.

379. The persons who were supposed to be the heirs and descendants of William Penn were referred to in the Statute?—Yes.

380. And you cannot go behind an Act of Parliament?—No.

Mr. *Jennings.*

381. Then with regard to the Nelson Pension, on page 3 of this Paper, No. 1 (App. No. 1, p. 43), this pension is still being paid, I presume?—It is.

382. At the rate of 5,000 *l.* a year?—At the rate of 5,000 *l.* a year.

383. And has been paid at that rate since 1801?—Since the 46th of George III.; that would be 1806.

384. Do you know who were the direct descendants of Lord Nelson?—I believe he had no direct descendants. The present Lord Nelson represents Lord Nelson's brother, I think.

385. So that Lord Nelson had no legal direct descendants, as I understand it?—I believe not.

386. The pension has been paid ever since, however, to persons who were supposed to be his direct legal descendants?—I do not know whether you could call a collateral descendant a direct descendant; I should think not.

387. Can you tell us to whom the pension is paid now?—The present Lord Nelson; he is the great-nephew of the first Lord Nelson.

388. I did not quite understand from Mr. Bradlaugh's examination whether any pension is now being paid to the Duke of Grafton or the family, or has it entirely ceased?—I think it has entirely ceased.

389. Would it be convenient to you to tell us how much has been paid to the Grafton family on account of the pension which is now commuted, before it was commuted?—I doubt very much whether we should be able to say that, because in the case of a pension which he had in fee-simple he would be able to sell it without informing us about it; but if we have the information I will put it in.

390. You would not know what he sold it for; but would you know whether the nation had paid 4,000,000 *l.* to the Grafton family on account of his pension before it was commuted?—You mean the whole amount they have received?

391. On account of the particular Grafton Pension, I mean?—I suppose that it is a question of simple multiplication by the number of years.

392. I have reason to believe that 4,000,000 *l.* is somewhere near the amount; but mine is a mere conjecture, you understand?—Quite so.

393. Could you give us any information about the pension to Sir Thomas Clarges and heirs, which I do not see in your list; is that one of the extinct pensions also?—It is at the top of page 10 of the Return.

394. Then according to this Paper that has been entirely commuted?—That has been entirely commuted.

Mr. *Mowbray.*

395. I understood that the pension to the Nelson family was granted after the death of Lord Nelson, was it not?—Yes, the 46th of George III. would be after his death.

396. That is the Act under which the present pension is paid?—Yes.

397. And that Act was after the death of Lord Nelson?—Yes.

398. In fact, that Act refers, as appears in your statement, to the family of "the late Viscount Nelson," "being desirous to bestow on the family of the said Lord Viscount Nelson," and so on?—Yes. Lord Nelson had a brother, and after his death the title and the pension were granted to him.

Mr. *Jennings.*

399. It says here the direct legal descendants, and I want to know who they were?—"And such other persons as the title of Earl Nelson may descend to," you will see the statement says.

Mr. *Biddulph.*

400. About the pension to Penn's heirs, there has never been any dispute as to the fact that the gentleman who commuted it was the heir?—Before we commuted it we took legal advice about it, and we inquired with regard to the gentleman who then held it, Colonel Stewart, whether we might be assured that he had a legal title to it; we were advised so, and in consequence of that we commuted it.

Mr. *Bradlaugh.*

401. But you had at that time a written notice in which it was alleged that that gentleman was not the heir, and that the person who gave the notice was prepared to furnish proof of it?—The honourable Member I believe had addressed a letter to the Treasury upon the point; but of course we cannot go behind or act beyond our legal advice in the matter.

Mr. *Biddulph.*

402. But is it not the fact that a portion of that pension, of that 4,000 *l.*, was mortgaged, and had been for some time, and consequently no person would have advanced money upon it unless they had been satisfied that the person so mortgaging his pension was fairly entitled to it?—I do not know that we had the information before us that it was mortgaged.

Mr. *Chance.*

403. I want to inquire of you as to the present character of the commutation of the post groats of the Duchy of Cornwall. Will you tell me, first, have you been able to trace any statutory or other powers by which the Treasury had any right to commute pensions without any application to Parliament?—The question does not refer to the post groats now, does it.

404. No; I ask that question generally?—I think I have already stated to the Committee that the Treasury did on more than one occasion commute pensions, and therefore claimed the power of such commutation. The right to exercise such a power was discussed before the Committee on Public Moneys in 1856, and since that

Mr. *Chance*—continued.

that time I think I am right in saying that the Treasury has not commuted any pension except under authority from Parliament; but beyond that statement of fact I am not able to say; at least my opinion would not be worth much as to what the value of the Treasury claim is.

405. Will you tell me are you aware of the existence of any opinion of the law officers that there did exist at any time any statutory or other power to commute these pensions without coming to Parliament, that is, prior to the Act of 1873, of course?—I may put aside one point: a power had been granted to commute certain small pensions in the Woods and Forests Revenue, which I put aside, because it does not affect the main question. I should not be able to say from recollection whether an opinion of the law officers was taken before the commutation of the two or three pensions which are known to have been commuted upon Treasury authority alone. I think that in all probability such an opinion was taken, but I am not able so say so from recollection.

406. Would it be too much troubling you to ask you to make some inquiry whether such an opinion was taken?—I will make inquiry.

407. Now I presume that you have been many years in the Treasury?—Yes.

408. Then perhaps you will tell me if I am correct in stating that a Minute is usually written on a piece of paper and placed with the original papers, but that formerly a Minute Book was also kept, in which a note or copy of the Minutes was entered, and that that book was duly indexed?—The decision of the Treasury upon applications brought before it is recorded either on the back of the paper itself, or, as the honourable Member says, in a paper attached to it. In former years, in addition to this record, which would always of course be found with the papers, there was a regulation that the more important minutes should be recorded in separate books, in fact re-copied into separate books with a short notice of the paper upon which the record was made.

409. Am I right in stating that that separate book was indexed?—I think I can say that it was indexed.

410. Can you state whether that book was in existence as to minutes passed, say up to 1839?—I should think without any doubt it was.

411. Therefore, would there have been any considerable difficulty in discovering whether a minute had been passed in say 1840 or 1841, directing this sum of 630 *l.* for post groats to be stopped after a certain date?—Those fair minutes to which the honourable Member refers would not be a perfect record, because by no means all the minutes were recorded there. Therefore the fact of not finding it there would not be an exhaustive answer to the question.

412. Then can you state to the Committee, as a matter of fact, whether in that minute book the Minute of the 5th April 1841, directing the payment of this sum of 630 *l.* odd in lieu of post groats to be stopped, is or is not recorded?—I think it probably is recorded; but it is hardly necessary to consider that, because the minute is in a Parliamentary Paper; therefore there is no necessity to search our records.

Mr. *Chance*—continued.

413. You only think it is; you cannot positively state that it is?—I cannot positively state that it is; I should think we shall find it.

414. Therefore, not only was the Minute with the original papers, but it also existed in an indexed minute book?—I take it that was the case.

415. Is there any greater facility in existence for discovering the passing of any other Minute than there was for discovering the existence of this Minute?—The honourable Member will pardon me; I do not quite follow him, because his question rather leads up to the idea that this Minute was not discovered. But it was on record; there has been no plea that I know of that the Minute was lost.

416. What I want to get at is this; is there any other method of recording a Minute than the method which was adopted in your opinion with regard to this Minute of the 5th of April 1841; was it recorded in every respect as every other Minute is recorded?—I think so. The Minute to which the honourable Member is referring, which stopped the payment, is in the year 1839; he has now mentioned a Paper in 1841.

Chairman.

417. But the further Paper was in 1841?—The further Paper which came before the Treasury, and which has been put in to this Committee, was in 1841.

418. But are not those Papers to be found?—Those Papers are put in.

419. Was there a continuation of the payment, or was there any hiatus in the payment from 1841, at any period?—No, I believe there was no hiatus in the payment.

420. You assumed from that, in your former answer, that there was a subsequent decision of the Treasury, which might not be recorded upon the Minute Book, that the payment ought to be continued?—I have got no evidence to put before the Committee in confirmation of such an opinion. It is difficult for me to suppose that the payment would have been continued without some instruction. At the same time I wish the Committee particularly to understand that I have got no evidence whatever to offer in support of this opinion.

Mr. *Bradlaugh.*

421. As far as you are concerned there is an absolute gap of any authority after some month in 1841?—Yes.

Mr. *Chance.*

422. If such a Minute had been made in 1841 would you expect to find it either with the original papers or upon the indexed Minute Book?—Certainly, with the papers; and I wish the Committee further to understand that I do not wish to put it before them in any way that I assume the loss of a Minute; I do not believe that any formal Minute was made; the utmost I can go to is to suppose that some verbal direction was given, because it is rather difficult for me to understand how the payment continued to be made, without any direction, for years afterwards.

Chairman.

423. Have you in your experience in the Treasury found that payments have been made on verbal directions at any time?—No, the only thing, as I have mentioned to the Committee before, is that there has been a change in the method of doing business since then. At that time Boards of the Treasury used to be held, and the papers were brought in, were discussed, and were settled before the Lords of the Treasury. Of course in a case of that kind, when the principal officers of the Treasury were in the presence of the Lords of the Treasury, a verbal direction might be given, and accidentally not recorded. I mean that is a possibility, but I have no proof whatever that that was the case.

Mr. *Chance.*

424. Will you tell me am I right as far as you know in stating it to be the practice that minutes drawn by permanent officials were submitted to a Board of the Lords of the Treasury at which the Lords then present signed those minutes; whether that was or was not the practice in 1841?—No; the minutes I believe were at that time read before the Board; that was according to the general custom; a Board does not sign; the minutes are signed by the Secretary; the Secretary's signature represents the Board; the minutes were initialed by the Secretary.

425. At that date, 1841?—In 1841.

426. Then it is your evidence that in 1841 it was not the habit of the Lords of the Treasury as a rule to sign minutes of this character?—No, not as a Board; but I must make a qualification to that, in this respect, that one finds minutes initialed by the Chancellor of the Exchequer; that is, even at that time; and in the case of those minutes, that signature would simply mean that the Chancellor of the Exchequer had seen and was responsible for the paper, but he would not sign as a member of the Board present; the signature I believe of one member of the Board, *qua* member of the Board, means nothing at all.

427. Could you tell me whether the minutes of that date that were signed by the Chancellor of the Exchequer were for the most part minutes relating to the payment of sums of money?—No. I believe the same as now; important questions were referred to the Chancellor of the Exchequer, and if he approves of the decision he would put his initials by the side.

428. Then if this question as to the continuance of this payment of 630 *l.* had then been referred to the Chancellor of the Exchequer you would expect to find a minute signed by him authorising the continuance of this payment?—Certainly, I should.

429. And there is no such minute?—No, as I have said already.

430. Will you look at the 1 & 2 Vict. c. 120, and tell me whether I am correct in stating that the power to commute these payments under that Act was exhausted by one exercise of it?—As to the commutation, do you mean?

431. Yes?—I think so. I am not a lawyer; but I take it that in all probability the power of commutation was exercised once and for all.

432. Then am I correct in stating that so far as you can discover, there are no words in that

Mr. *Chance*—continued.

Act which would have authorised the Treasury authorities to have continued this payment?—I think that raises a different question, not the question of exercising the power of commutation again; but the power of continuing the commutation which has already been made. It is one thing to exercise a power of commuting, and I do not understand that throughout this there is any question of a re-commutation.

433. Am I correct in stating that under that Act of Parliament, the Treasury made a certain commutation, a portion of which commutation was the sum of 630 *l.* 14 *s.* 2 *d.*, the payment to end on a certain date, and that having exhausted their powers under the Act of Parliament, they proceeded to continue that payment ever since?—I should not accept that method of stating it.

434. Would you point out what in your opinion is the true method of stating it?—What I understood to be the position is, that there was a certain payment to which the Duke of Cornwall was entitled. If there was not a Prince of Wales who was also a Duke of Cornwall, the privileges of the Duchy were enjoyed by the reigning sovereign. King William IV. surrendered what he had a right to surrender, his own life interest; and after him, according to that Paper which has been laid before Parliament, Her Majesty surrendered her life interest; but neither William IV. nor Her Majesty had power to surrender the right of the Prince of Wales. In the meantime, in 1841, the Prince of Wales was born, and one way of stating the argument is that with his birth the surrender fell of itself. Unless the Prince of Wales gave up the right the Treasury were bound to pay.

Mr. *Bradlaugh.*

435. Would this be a way of putting it; the Act abolishes the right of every Duke of Cornwall to post groats from a particular date, in 1838?—In 1838.

436. But gave to the Treasury power to do something in the way of giving compensation in consequence of that abolition?—Yes.

437. That the Treasury exercised those powers and reported to Parliament how they had exercised them?—Yes.

438. Do you find in the Act anything giving the Treasury power to do anything after that?—I only see one power, a power to the Treasury to pay.

439. To pay what they had already decided to pay, and reported to Parliament that they were going to pay?—I see no power to discontinue that payment.

440. That is not quite the question I put; my question was, whether that Act authorised them to do something in consequence of the abolition of the post groats on a particular day, which particular day was in 1838?—Yes.

441. And I asked you whether they were directed to report to Parliament what they had done, and whether they did so report to Parliament what they had done?—Yes.

442. Then I asked whether you found any authority to the Treasury to do anything in that respect subsequent to that?—In that Act of Parliament. I am not a lawyer. I will only say

Mr. *Bradlaugh*—continued.

say that I see only one power to the Treasury, to pay.

443. What I wanted to get at was this; you find an absolute abolition of the post groats from a certain date in 1838; a direction to the Treasury to fix a certain payment in consequence of that abolition?—Yes.

444. A direction to the Treasury to report to Parliament what they had so fixed?—Yes.

445. A direction to the Treasury to pay what they had so fixed?—Yes.

446. Do you find any other direction to do anything else or power to do anything?—No, I do not; we are leaving out certain compensations.

Mr. *Mowbray.*

447. To whom does that Act of Parliament direct the Treasury to make the payment?—Perhaps I had better read the clause. It is contained in Clauses II. and III.: "And be it enacted that it shall and may be lawful for the Commissioners of Her Majesty's Treasury, and they are hereby required to ascertain the amount of the clear annual payments during the last ten years in respect of such Coinage Duties in the said counties of Devon and Cornwall, after deducting therefrom all costs, charges, and expenses to officers, and others during such period incurred in and incident to the ascertaining, managing, and collecting of such coinage duties." "And be it enacted, that in lieu of such coinage duties an annuity or yearly sum equal to the amount which shall be so ascertained to have been the average of such payments shall be issued out of and charged and chargeable upon the Consolidated Fund of the United Kingdom of Great Britain and Ireland and be payable, free and clear from all deductions and taxes whatsoever, quarterly on the 5th day of January, the 5th day of April, the 5th day of July, and the 10th day of October in every year, by equal portions, and be accordingly paid to Her Majesty and other the personage for the time being entitled to the revenues of the said Duchy of Cornwall."

Chairman.

448. Did you not on a former occasion submit some theory to the Committee, your own view, as to why this payment should be continued?—The view that I put forward about it was this: The Treasury had announced, as the honourable Member for Northampton has read out of Paper No. 2 in the Appendix, that King William IV. and Her Majesty had resigned their shares. In the course of 1841 it was pointed out to them by the Duchy of Cornwall that King William IV. and Her Majesty could only resign their shares in it.

449. Pointed out to the Treasury by the Duchy of Cornwall?—Yes, to the Treasury.

Mr. *Bradlaugh.*

450. Was anything more pointed out than in the letter of the 8th of July 1841 which is in this Paper?—This is the letter of which I speak: 8th of July 1841, a letter from the Council of the Duchy to the Secretary of the Treasury; "The Council took into consideration the Minute of your Board of the 15th of February 1839, authorising the issue out of the Consoli-

Mr. *Bradlaugh*—continued.

dated Fund of compensation for the coinage duties, abolished by the Act of 1st and 2nd of Her present Majesty, c. 120, and of the payment in lieu of the Post Groat Duty in Cornwall, until the expiration of the subsisting lease, and I am commanded to acquaint you that, although it appears both His late Majesty and Her present Majesty consented to abandon their claim to this duty, the Council consider it necessary to intimate to the Lords of the Treasury their opinion that this arrangement cannot prejudice the rights of the future Dukes of Cornwall to compensation in lieu of the Post Groat Duty."

Chairman.

451. Have you any record at the Treasury of any reply to that letter?—No.

452. And your assumption is that the way in which that letter was answered was by the Treasury agreeing to the contention of the Duchy of Cornwall, and paying the annuity from that time to this?—I have this remonstrance before me, and I think I said to the Committee before, that according to my view that is a very important remonstrance. I can hardly imagine that it was not taken into consideration, and I should be very much surprised to learn that the Treasury would have ignored a perfectly reasonable claim of that kind, a claim that demands most respectful consideration. I find the exact result which I should have expected under it; I mean the result if they did not reply by giving their reasons why they were obliged to adhere to their previous decision. As they did not do that, I should certainly expect to find that they would have continued paying the compensation. I find out that they did.

453. And you believe that by the payment they assented to the statements put forward by those representing the Duchy?—That is the only conclusion I can come to; but at the same time I wish you to bear in mind that I have no evidence of that.

Mr. *Bradlaugh.*

454. And I understand you to say that you should expect that to take place for the reason you gave. As a matter of fact the whole claim of any Duke of Cornwall to post groats had been abolished by superior authority, namely, Parliament?—Subject to compensation.

455. Subject to compensation; which by the statute abolishing it the Treasury were directed to fix, and report to Parliament?—Yes.

456. And which they did fix, a portion of the sum fixed being ordered to cease on the 5th of April 1841?—They fixed the amount which was payable, but they stated that they did not think it should be continued beyond the 5th of April 1841.

457. But is there not, either in that Paper or somewhere else, and have you not given evidence already to that effect, a Minute in express words directing the payment to be diminished, from the 5th of April 1841, by the sum of 630*l.* 14*s.* 2*d.*?—That is just the point.

458. Under statutory authority they gave a positive direction that it should cease from that day?—That is a matter of wording; there was no positive order. "It does not appear to my

Mr. *Bradlaugh*—continued.

Lords that the sum of 630 *l.* 14 *s.* 2 *d.* should be provided for beyond the 5th of April 1841, and that the compensation should after that date be diminished by that amount."

459. Do you not find there or somewhere else a direction that there should be an order made out for the ceasing?—Here are the words: "But inasmuch as the receipt of post groats in Cornwall, 630 *l.* 14 *s.* 2 *d.*, will cease on the 5th of April 1841, on the termination of the existing interest, this annual sum will be diminished by such amount from date."

460. That is an absolute date of diminution?—Where do the Treasury get power to do that?

Mr. *Chance.*

461. Would you be kind enough to tell me from what fund was this annual sum of 16,000 *l.* ordered to be found?—It was to be charged on the Consolidated Fund.

462. By what officer at that time, 1841; what was the title of the officer who would be charged with paying this sum?—The authority would be given.

463. No; what officer, I ask?—I must explain. The order is given under warrant; I think I am right in saying that at that time it would be signed by two Lords of the Treasury (considerable changes have taken place in the meantime, and I am speaking from memory), that the order to the Comptroller of the Exchequer would be either the warrant signed by two Lords, or a list of the payments to be made signed by the Secretary to the Treasury; but I think at that time it was under warrant with the signature of two Lords.

464. Was this warrant one which should be presented annually to the Comptroller of the Exchequer?—Quarterly.

465. And whose duty was it to prepare that warrant; some permanent official's, I suppose?—It would be prepared in what, I think, then was called the Revenue Branch, what we should now call the Finance Branch of the Treasury.

466. Was it the duty of any official in the Revenue Branch to compare that warrant with the authority under which the sum ought to be paid?—I should say so.

467. And that authority would be found in a Minute of the Treasury under the Act of Parliament?—Yes. I should say that under this Minute the warrant ought not to have contained that Charge; but I ought to add a further circumstance, that this particular form of charge, namely, the charges on the Consolidated Fund, had to be approved by the Comptroller of the Exchequer before he issued the money; it was one of the few instances in which the Comptroller of the Exchequer was practically able to exercise an antecedent check on expenditure; and it is a curious circumstance that it also passed him without authority.

468. But am I correct in stating that this warrant had quarterly to be prepared by an officer whose duty it was to go to the document that was the fountain of the authority to pay this annual sum and to ascertain whether such payment could legally be made?—The payments of course ought only to be put down on the

Mr. *Chance*—continued.

warrant under a standing authority; but as to consulting the original document, you must remember the possibilities of the case, the vast number of payments to be made to quarter; they naturally are carried on from quarter; but clearly I am quite prepared to admit as much as this, that the officer who prepared the warrant is responsible if he put down upon it payments for which there was no authority.

469. But the officer whose duty it was to prepare this warrant quarterly, was bound to ascertain whether there was a standing authority, to use your own expression, to pay this sum?—I think so.

470. Now may I ask you whether in order to discover whether there was or was not a standing authority, he would have to go to the Minute-book, or to the original Minute, or whether there was some book or document in which was collected the standing authority to pay, which was necessary for the due preparation of these warrants?—The ordinary form is that on an authority of this kind being given it would be an instruction to refer this Minute to the department preparing these warrants for officers of that department to take note of it, and of course their duty would to take note of this direction.

471. Then I am to understand that the authorities, the Minutes for the actual payments to be made, were referred to a department charged with the duty of preparing these warrants, and that it was the duty of that department to make some note of these Minutes in order that they might quarterly, or half-yearly, or annually, prepare the necessary warrants?—Yes, certainly.

472. Is there any note in that department of a Minute directing the continuance of this sum in existence?—I have not seen it, but I think the honourable Member will be aware that it must have been communicated to the department, otherwise the original payments could not have been made.

473. But I ask is there any note; of course the original Minute was a Minute directing the payment up to a certain date?—And, therefore, in consequence, these payments having been put upon these warrants, it is perfectly clear that the original Minute must have been communicated to the department, otherwise the order for payment would not have been given.

474. That is not my question; my question is this; is there on the books of the department charged with the preparation of these money warrants any note of any Minute authorising the continuance of the payment, which under the original Minute was to cease upon a certain day?—Not that I know.

475. So that you do not find a Minute either in the Minute-book, amongst the original papers, or on the books of this department charged with the preparation of the warrants?—I find no authority.

Mr. *Biddulph.*

476. Is there no system of audit of these pensions?—The system of audit at that time was very different from what it is now, and I have just

Mr. *Biddulph*—continued.

just mentioned the fact that all moneys were at that time issued, upon the direction of the Treasury, by the Comptroller of the Exchequer. It was the duty of the Comptroller of the Exchequer, before he obeyed the order of the Treasury, to see that the demand was in accordance with the Act of Parliament; that is to say, that if Parliament had granted we will say a million for the Army, that the order of the Treasury was within that million. If the order of Parliament contained in an Act was that

Mr. *Biddulph*—continued.

100 *l.* or 1,000 *l.* or 10 *l.* should be paid to a particular person, it was the duty of the Comptroller of the Exchequer to satisfy himself that that order was in accordance with the directions of Parliament before he issued the money. In this particular case the warrant containing this payment would go to the Comptroller of the Exchequer, and it would be his duty to ascertain that that payment was in accordance with the Act of Parliament before he issued the money.

Friday, 22nd July 1887.

MEMBERS PRESENT:

Mr. Mundella.	Mr. Mowbray.
Mr. Bradlaugh.	Mr. Arthur O'Connor.
Mr. Chance.	Mr. James Stuart.
Mr. Curzon.	Mr. Vernon.
Mr. Jennings.	Sir Richard Webster.
Mr. William Lowther.	Mr. Whitley.

THE RIGHT HONOURABLE A. J. MUNDELLA, IN THE CHAIR.

Sir REGINALD EARLE WELBY, K.C.B., re-called; and further Examined.

Chairman.

477. YOU hand in Papers Nos. 9 and 10?—I hand in Paper No. 9, illustrative of the Pendrell case; and No. 10, a Return for which the Committee asked, relative to the manner in which the money was employed in the case of the Richmond Estate, bought with the proceeds of the coal annuity.

478. And now you have completed all the returns that have been asked for by this Committee?—I believe I have given in all the returns that have been asked for.

Mr. *Chance.*

479. In your first statement I believe you included hereditary pensions and payments only?—Yes.

480. Did you then draw any distinction, and if so what, between hereditary and perpetual pensions?—I think there was a discussion in the Committee; and I think the honourable Member for Northampton pointed out that the wording of the Committee was large enough to include all perpetual payments, and then, at the desire of the Committee, we prepared further Papers, including perpetual payments.

481. But should I be correct in stating that in the Treasury books some distinction is taken between hereditary payments and perpetual payments?—No, I do not think that question has ever occurred to us before the discussion in this Committee; the distinction was only made by us, in consequence of what the honourable Member for Northampton brought before the Committee.

482. Now I believe that there is a discretion left to the Treasury, under the Commutation Acts, as to the amount of purchase money?—You mean the amount for which we may commute these perpetual payments.

483. Yes?—Yes; that is the case.

484. And I think you have already told us that the Treasury make the best bargain they can consistent with equity?—That is their endeavour.

485. In the commutations which took place since 1881, if you can recall some one individual case to your mind, was it a matter of bargain between the Treasury and the pensioner?—As a general rule I believe I am right in saying that the Treasury offered a sum. In some cases, where ecclesiastical payments were commuted, it might perhaps be said that there was a bargaining between the Ecclesiastical Commissioners and the Treasury, but in the case of those pensions payable to individuals I think I may say that the Treasury made the offer of what was practically 27 years' purchase, and it was for the holder of the pension, upon such proof as the Treasury might require, to leave or accept the offer.

Mr. *Chance*—continued.

486. Do you recollect any case, putting aside, of course, these ecclesiastical pensions, in which a different amount from that offered originally by the Treasury was paid to the commuter?—In speaking of the ecclesiastical pensions, I should include with them some charities which the honourable Member will understand would come under the same heading, and I think I am right in my recollection that, in certain cases, where the holder of the payment had been entitled to, what was considered a perpetual charge on land, 30 years' purchase was given. Those are the only exceptions that occur to me.

487. And in all the other cases the amount offered by the Treasury was accepted where any payment was made?—Where any commutation has been made I believe I am right in saying that 27 years' purchase has been paid.

488. Will you please tell me were the Treasury bound to consider the circumstances peculiar to each perpetual payment or pension in making this offer?—I should say so.

489. And to value that pension as nearly as they could?—The Act left the discretion to the Treasury to make the bargain, but the principle upon which the Treasury acted is that which the honourable Member described, namely, to pay such amount as was fair, taking into consideration the equity of the case.

490. I believe I am correct in stating that in the Act of 1873 the second section directs that the Treasury, "in entering into any such contract,

Mr. *Chance*—continued.

tract, shall have regard to the contingency (if any) of the determination of the annuity, and may surrender such contingency upon such terms as they may think reasonable"?—Yes.

491. And is it your evidence that these contingencies were considered by the Treasury?—I think I can say that in every case of commutation the Treasury Solicitor was desired to report as to the probability of the permanence of the pension, and that the Treasury accepted his report to that effect as a sufficient guarantee to them that they might consider the pension as practically not likely to revert to the Crown.

492. Are there any other circumstances which the Treasury consider from time to time in regard to each individual pension; do they confine their view wholly to the determinability of the pension, or do they consider any other circumstances connected with it?—The Treasury looked looked upon a perpetual payment charged upon the Consolidated Fund as roughly equivalent to Consol value, and in fixing the amount they offered a sum considerably less than Consol value. They wished thereby to allow a reasonable margin by which the bargain would not be unfavourable to the Consolidated Fund, and would cover those contingencies which might happen even though their solicitor had advised them that they might consider the pension as practically a perpetual payment.

493. Am I correct in stating that, by Section 2 of the Act of 1873, the Consol value is the extreme limit to which the purchase-money could go?—I think that would be the interpretation of the Section.

494. Would you turn to the Paper you kindly gave us, Paper No. 1 of the Appendix, and would you look at the first of those pensions, the Earl of Morley, 3,000*l.* a year; am I correct in stating that that is a pension in fee?—The honourable Member means, as I understand, by "a pension in fee," a perpetual pension. The pension is granted to the heirs and assigns of Lord Amhurst for ever.

495. And the terms of redemption were 26·945 years' purchase?—Yes.

496. Now would you look at a pension on page 5, the Duke of Grafton's; am I correct in stating that that pension was originally granted to the Duke of Grafton and his heirs male?—Yes.

497. And there also the terms of redemption were 26·945 years' purchase?—Yes.

498. Would you look at pension 3 on the same page, Sir E. Mostyn and Sir William Eden; am I correct in stating that that was a pension granted in tail general to the Earl and Countess of Lichfield for their lives and to the issue of the Countess in tail?—Yes.

499. And that there again the terms of redemption were 26·945 years' purchase?—Yes.

500. Then did the Treasury, as far as you know, in that case draw any distinction between the possibility of the determination of a pension granted in fee, a pension granted in tail male, or a pension granted in tail general?—The Treasury were guided in arriving at their determination by the report of their solicitor.

Mr. *Chance*—continued.

501. But so far as you can see was there any distinction drawn?—No, I do not think there was any distinction drawn between the two.

502. Can you tell me whether to your knowledge any consideration was given to any services which were renderable, at the time the pension was commuted, by any of the pensioners?—Does the honourable Member mean by that whether it was a payment for service actually rendered.

503. Yes?—To answer that question correctly one should read through each of the cases to see, but I do not think that any of these people were held to be rendering a service.

504. And was any consideration taken of the fact that when the pension was originally granted it was granted in consideration of a term of service to be rendered?—No, I do not think so, because my recollection is that the judgment of the Treasury was determined by the nature of the grant under which it was held, and on the advice of their solicitor as to whether it was in the nature of a perpetual grant or not.

505. Then I understand that no distinction was drawn between pensions where no service was agreed to be rendered, and pensions where originally a service was to be rendered, but that service had ceased to be rendered?—I think I should say that the honourable Member's interpretation is correct; but I should rather like, if he would not mind, that he should give me an instance to see that I unders and rightly what his question is.

506. I do not see any distinction at all?—I ought to say that, because there have been one or two cases which have not been commuted in which the question has arisen, and has been considered by the Treasury as to whether there was not a service dependent upon the pension; but I do not remember that case arising upon any of the pensions which have been commuted.

507. Now will you tell me on what consideration did the Treasury draw a distinction between the number of years' purchase in the case of the ecclesiastical and charitable perpetual payments and perpetual payments made to individuals?—The perpetual payments made to individuals really did not give much trouble to the Treasury; it was an offer to the holders if they liked to accept the terms which the Treasury offered; the trouble of paying them was infinitesimal. The only trouble generally that took place was on the death of a pensioner when the claim of the next person had to be substantiated. On the contrary there was an immense deal of trouble attending the payment of a large number of small sums for charities and ecclesiastical purposes, so much so, that it was an object with the Treasury to get rid of them; at least so the Treasury thought; but they had to negotiate with the Ecclesiastical Commissioners, to whom the charge was transferred, or with the Charity Commissioners, and I believe I am right in saying that in both cases those Commissioners declined to take less than Consol price.

Chairman.

508. Have you commuted any considerable number

Chairman—continued.

number of these ecclesiastical pensions?—A considerable number.

509. And still a considerable number remain?—There are still some remaining.

Mr. *Chance.*

510. Was any reduction made in the annual charge by reason of these commutations?—In those cases in which 33 years' purchase was given, which was equivalent to Consol price, of course there would be no reduction in the charge.

511. And in those cases all the advantage gained by the commutation was the saving of trouble in identifying people?—Yes, that was all.

512. Now would you turn to Paper 6A in the Appendix (App. No. 6); am I correct in stating that the annuity to the Duke of Grafton was capitalised, and powers given by Act of Parliament to invest the money so produced in the purchase of land?—That was the case.

513. And when that money was capitalised could you tell me whether it was under the control of the Treasury, or of any representative of the Treasury?—Does the honourable Member mean the act of capitsaliation?

514. When the money was capitalised did it remain under the effective control of any member of the Government or any officer of the Treasury; I mean, when it was invested in Consols was the name of any member of the Government or any officer of the Treasury entered for those Consols?—The Consols stood in the name of the First Lord of the Treasury with other trustees.

515. Then none of this money could have been afterwards applied in the purchase of land without the consent of the First Lord for the time being?—That I think would be the case.

516. And can you tell me whether any examination of the proposed purchase was made by the First Lord, or by any Treasury official on his behalf?—As far as our records go we have no notice on the subject; the Papers on the subject came to the First Lord of the Treasury for the time being, but as far as our records show it was not the custom to put them on record in the Treasury.

517. Was the money, when invested in Consols, accounted for or any record of it kept in the Treasury?—Not that we know of; there is no record of which I am aware.

518. Then am I right in assuming, looking at Paper 6A, in the middle of the first page (App. No. 6, p. 79), that there were purchases made on behalf of the Duke of Grafton of lands partly with his own money and partly from the proceeds of those Consols; take, for instance, the entry, "To complete purchase from Scrivenor"?—Yes.

519. And above that, "To complete the purchase from" a number of different individuals?—Yes. Perhaps the honourable Member will let me go back upon my last answer, and I may remind him that there was a provision made in the case of the Duke of Grafton, that purchases should be registered at the Office of Woods, and to that extent there was, or should have been, a record in the Office of Woods of transactions under the Trust.

Mr. *Chance*—continued.

520. But am I correct in stating from this Account 6A, that a number of purchases were made partly from the private moneys of the Duke, and partly from the proceeds of these Consols?—That, I believe, was the case, but the honourable Member is of course aware that this Return to which he is alluding is drawn up by the Duke's solicitors, and, therefore, I have no further means of knowing anything about it than what appears on the face of the Return.

521. Can you tell me how it happens that the perpetual pension, payable to the Hereditary Grand Falconer, has not been commuted?—There are several pensions which have not as yet been commuted, and no arrangement had been come to with the Duke of St. Albans when notice was given by the honourable Member for Northampton, of his intention to move in this matter; and from that time the Treasury have suspended all negotiations.

522. I believe negotiations were commenced?—Negotiations had been commenced.

523. And am I correct in stating generally that the amount of commutation money offered by the Treasury was considered by the representatives of the Duke to be insufficient?—I am not prepared to say to what extent the negotiation had progressed; it was a negotiation in course, and I do not think I am at liberty to state details. There had no determination been come to with regard to it.

524. Would you consider yourself at liberty to state what sum or what number of years' purchase was offered by the Treasury?—Perhaps I might ask the Committee for instructions. I am rather in doubt as to the answer that should be be given about an incomplete transaction, which may never come to a transaction.

Chairman.

525. What I understand from you is that negotiations had commenced for the commutation of this pension to the Duke of St. Albans, but were not complete?—That is the case.

526. And you are of opinion that it is undesirable at this stage to state how far those negotiations had gone?—Yes.

Mr. *Chance.*

527. Will you look at page 8 of Paper No. 1, (App. No. 1, p. 48) under the heading "Master of the Hawks"?—Yes.

528. You will see a line there, "Four falconers, at 50 *l.* per annum each, 200 *l.*; provision of hawks, 600 *l.*; provision of pigeons, hens, and other meats, 182 *l.* 10 *s.*" Will you tell me whether any expenditure is at present made by the Duke or by the representatives of the Master of the Hawks in respect of these three items?—I am not aware; the Treasury has no reason to know that there are any hawks kept. One part of the question I should not be able to give an answer to; the Duke may perhaps give something to nominal falconers, but we have no information before us to show that there is any establishment of hawks kept.

529. Should I be accurate in assuming that in approaching

Mr. *Chance*—continued.

approaching the consideration of a number of years' purchase to be given for a pension such as this, the Treasury would feel themselves bound to make inquiries into items such as those three items which I have just referred to?—I mentioned some time ago to the honourable Member, when he asked me whether the question of services had been taken into consideration, that I did not recollect that any pensions had been commuted in which the question of services arose; but I also mentioned that there were cases in which the Treasury had thought it necessary to consider the question and take advice as to the nature of the service, and I think I may say that this is one of them.

530. Looking at those entries, am I accurate in stating that the last three payments were given for specific objects or purposes; I read here, "The sums granted by the original patent were as follows, viz., master of hawks' salary, 391 *l.* 1 *s.* 5 *d.*; four falconers, at 50 *l.* per annum each, 200 *l.*," and so on; the last three of those items were granted by the patent for specific objects?—Apparently so.

531. And a total sum of 965 *l.* a year has been paid up to the present time, including these items?—Yes.

532. Are you aware whether the Treasury have taken any steps to ascertain whether those three sums are paid or are not paid for the specific objects for which they were originally granted?—Without having reference to the Papers, I am obliged to speak with some reserve; but I think my recollection is right that the Treasury have been advised that the Duke of St. Albans is entitled legally to those sums. I answered the question, because the word which the honourable Member quotes in this Return is somewhat vague; my recollection is that the opinion applied to the whole of the sum.

533. To put it generally, would you tell me whether in the case of any of these pensions, hereditary or perpetual, which were granted on condition of certain services being rendered, the pensioners are now rendering any service whatsoever as far as you are aware; for instance, the constable of Hillsborough Fort, mentioned on page 9; does he render any service as far as you are aware?—I find some difficulty in answering the question, because my memory may be wrong. I am under the impression that there have been inquiries about that case, and that the constable of the Hillsborough Fort does practically, or did a short time ago, keep some six people as warders, that is my recollection; but I will not be quite positive without referring again to the Papers.

Mr. *Mowbray.*

534. What is the meaning of the phrase "customary deductions" in that?—In old times there were very heavy fees deducted at the Exchequer upon the issue of the money, and some 40 or 50 years ago you will find that those fees were swept away, and that in the case of public payments of this kind the sum payable was reduced by the amount of them. For instance, there was a tax of 1 *s.* 6 *d.* in the pound upon all pensions and salaries. In the case of long established payments the sum was reduced to the net sum, as it was thought useless to pay 1 *s.* 6 *d.* into the Exchequer, and leave 18 *s.* 6 *d.* to go net to the holder.

Mr. *Mowbray*—continued.

Mr. *Bradlaugh.*

535. On that point I think a pension of 7,500 *l.* nominally, we may take as something like 6,800 and odd pounds really; that is speaking roughly?—Yes; that is about it.

Mr. *Mowbray.*

536. I should like to clear up a doubt in my own mind about the past groats; can you tell me what was the original authority under which the Duchy received these dues?—The title of the Duchy to receive these coinage duties, I presume, would be the charter which is referred to in the preamble of the Act of 1838, that is, the Act for the abolition of the duties in question. The wording of the preamble is; "And whereas, by Charter made and passed in the eleventh year of the Reign of His Majesty King Edward the Third, and duly confirmed by Parliament, the said coinage duties, together with certain other possessions, were thereby granted to the then Duke of Cornwall, and to the first-begotten son" and so forth, "and the same were thereby annexed and united to the Duchy of Cornwall for ever, to remain so that from the said Duchy they should at no time be in anywise severed." I take it that the Charter there mentioned is the title under which the Duchy of Cornwall levied those duties.

Mr. *Arthur O'Connor.*

537. Is the Act of Edward the Third, which is said to confirm the Charter, extant?—I have inquired whether that Act exists; and I am told that the Charter was promulgated in Parliament, and I am told that at that time, promulgation in Parliament was held equivalent to an Act.

538. There is no separate chapter confirming the Charter?—No separate chapter.

Mr. *Mowbray.*

539. Then I understand that under that Charter, as confirmed by Parliament, these dues were inalienable by the Duchy?—That is the contention of the Duchy, and that I should venture to submit is patent, as recited by the preamble.

Chairman.

540. Is that the explanation, in your opinion, of the continuance of the payment, after the letters which passed in 1841?—In the absence of the record on the Papers whether such was the case, the answer of any present officer of the Treasury can only be a supposition of what led the Treasury to continue the payment. It would certainly appear to the Treasury so clear, that the Treasury had not the power to alienate those dues, that we can only suppose that that was the reason why this payment was continued. But at the same time the Committee must clearly understand that, in saying that I do not put forward any evidence on the face of the Papers to that effect.

541. Is

Mr. *Mowbray.*

541. Is there anything in the Act of the 1st and 2nd of Victoria, abolishing these dues, and giving compensation in lieu of them, authorising any alienation of them from the Duchy?—I should say certainly not. If the Committee will turn to the 5th section of the Act, it runs to the following effect: "And be it enacted, That Her Majesty, and other the personage for the time being, entitled to the Revenues of the said Duchy of Cornwall, shall have such and the like, and no larger or other estate or title or power of disposition, or alienation, or interest, of and in the said annuity, as Her Majesty or other the personage for the time being entitled to the Revenues of the said Duchy of Cornwall, would have had in the said coinage duties." Therefore, if the Queen or the Treasury could not alienate the coinage duties, they could not alienate the annuity.

542. Then can you refer me to any authority, statutory or otherwise, under which the Treasury acted in reporting that the revenues of the Duchy would be reduced at the determination of the then existing lease to Mr. Tucker?—We know of no authority; and further than that, we should say that it would be assuming a most dangerous power if the Treasury, for whatever object or purpose, asserted that they could override an Act of Parliament.

543. If the Treasury had refused to pay to to the Duchy when a Duke of Cornwall came into existence this compensation in lieu of revenues to which the Duchy was entitled, would, in your opinion, the Treasury have had any defence to such a claim on the part of the Duchy?—Upon that of course the opinion of a layman is worth nothing at all; but certainly the opinion of the Treasury is that they would not have had a leg to stand on.

544. Then, if I understand you rightly, the Report to Parliament by the Treasury, and the Minute of 1839 was in fact *ultra vires*, and beyond the power of the Treasury?—Yes; the Treasury at the present day would not say that a blunder of the Treasury superseded an Act of Parliament, or gave a power which an Act of Parliament did not give.

Mr. *Arthur O'Connor.*

545. If it was recognised as a blunder?—Whether recognised or not, I think the blunder would not give the power.

Mr. *Bradlaugh.*

546. Now did the 1st Section of the Act of the 1st and 2nd Victoria, chapter 120, enact "that from and after the 10th day of October next" the duties were to be abolished?—The Act enacts "that from and after the 10th day of October next" the duties which would, but for this Act, be payable on the coinage of tin after that time "shall cease and determine."

547. Just before, does it not recite "that all duties so as aforesaid, payable on the coinage thereof, should cease"?—Yes, the recital of the Act is that.

548. That is just before the enacting words to which you have referred?—Yes.

Mr. *Bradlaugh*—continued.

549. Then, do I understand you to mean that after the 10th day of October 1838 there existed any duties which the Duchy of Cornwall had the right to enforce?—No, those duties were to cease by Act of Parliament.

550. Then what do I understand your previous answer to mean, that there were some duties which the Duchy or the Crown could not alienate?—I was reading the 5th section.

551. Yes, I know that; but I am asking you to reconcile that answer with the 1st section; the abolishing of the duties is from the 10th of October 1838?—The duties were abolished by Parliament.

552. Quite so; and even in the opinion of the Treasury, I suppose Parliament would be supreme over any right existing prior to the Statute?—Yes.

553. So that although there might have been some duties prior to the passing of this Act which were inalienable, those duties were directed specifically to cease by the Statute from the 10th of October 1838?—Quite so.

554. Then how from the 5th section do you make out that the Treasury had not a leg to stand upon in the Minute of the 15th of February 1839?—May I ask the honourable Member a previous question: will he show me the passage in the Act which gives the Treasury power to alienate any part of the compensation granted in lieu of the duties?

555. That is a matter which I will argue with the Committee afterwards. My question to you is, you having expressed the opinion, how do you make out that the Treasury had not a leg to stand upon in directing by their Minute of the 15th of February 1839, what the payment should be?—Because I see no power to do so in the Act.

556. Then do you take it that Section 2, which directed the Treasury to ascertain and report the clear annual payments for the last 10 years, had no value; do you take it that the direction to the Treasury to ascertain the amount of the clear annual payments during the 10 years preceding had no value?—That was a clear direction to the Treasury to collect certain information.

557. Did not the Treasury, in pursuance of that 2nd section, report that their tin coinage duties had only brought in 10 *l.* a year annually to the Duchy for 10 years?—Yes, that was the case.

558. And is not the 630 *l.* 14 *s.* 2 *d.*, whether rightfully or wrongfully paid, paid in respect of that which for 10 years previously had only realised 10 *l.* a year?—Under a lease which was just about to expire.

559. Is that so?—That is so.

560. And was not the direction to the Treasury by the 2nd and 3rd sections to calculate an annual sum based upon the clear annual payments during the last 10 years?—That the Treasury was to say what the clear annual payments were.

561. To the Duchy?—No, I see nothing about the Duchy. Perhaps the honourable Member will show me where the Duchy is mentioned.

562. "They are hereby required to ascertain the

Mr. *Bradlaugh*—continued.

the amount of the clear annual payments during the last 10 years, in respect of such coinage duties in the said counties of Devon and Cornwall"; and as a matter of fact did they not ascertain and report to Parliament that the only payment received in respect of the tin coinage duties for the 10 years previously had been a sum of 10 *l.* a year under lease?—To the Duchy? It is clear that the payments made on account of coinage duties included a payment made to Mr. Tucker, the lessee.

563. My question, was did they not report that the only sum paid to the Duchy in respect of such tin coinage for the 10 years prior had been 10 *l.* a year?—I should venture to answer the question by referring the honourable Member to the Treasury Minute, where it states, "During the same period, the average of the Post Groats received in tin coined in the Duchy of Cornwall, amounting to 630 *l.* 14 *s.* 2 *d.*, and of Post Groats and White Rent on tin in the county of Devon to 16 *l.* 19 *s.* 9½ *d.*"

564. Is it not the fact that in that very Return from which you are reading, the Treasury report that the only sum received by the Duchy in respect of that 630 *l.* 14 *s.* 2 *d.* was 10 *l.* a year under a lease?—I do not see that statement in the Minute.

565. I think I can find it for you. (*The Witness handed the Return to Mr. Bradlaugh.*)

566. Did they not report "The Post Groats Duty in Cornwall was granted, by lease dated 31st July 1813, to the late Benjamin Tucker, Esq., to hold for a term of 17¾ years from the 5th July 1823, at the reserved rent of 10 *l.* per annum, which will expire on the 5th April 1841"?—Yes, that is so; or rather that is an account which they rendered; that is not a Report or Minute.

567. Is not that Paper which you have in your hand a copy of the Paper which the Treasury laid on the table of Parliament under the direction contained in the 7th Section of 1st and 2nd Victoria?—Yes, it is a mere verbal difference. The honourable Member said, did not they report? These were the accounts they put in.

568. They were ordered to make a Return, and that is the Return in which that passage occurs?—Quite so.

Sir *Richard Webster.*

569. This lease was running during the reign of King William IV.?—Yes,

570. A Return was made in pursuance of some section, in accordance with the directions as to what money had been received or paid?—Yes.

571. I want to know whether there is any record of any compensation paid to the Duchy in gross, so as to bind the successors; any record of any compensation or capital sum paid to King William IV. so as to bind his successors?—No, there is no record that we know of that. Of course the precise answer to that would have to be obtained from the Duchy.

572. Is there anything that you know purporting to bind the successors to the Duchy of Cornwall?—No.

Mr. *Chance.*

573. I assume that the Act of Parliament and the Return made by the Treasury under the 7th section of that Act, formed part of one statutory transaction?—I do not know that I quite understand the meaning of the question. The Act ordered the Return to be made, and the Return was made under it.

574. In pursuance of the provisions of that Act; they formed one transaction?—The Return is made under the Act. I do not know that the Return gets any extra value which another Return would not have in consequence.

575. Is not the Return authorised by the Act?—Yes.

576. And the position of the Duchy of Cornwall is this: that although that Return authorised by the Act directed that the payment of 630 *l.* was to cease in 1841, the Duchy of Cornwall assumes that the transaction is valid, inasmuch as the sum of 630 *l.* has been received by them ever since; and declines to admit the validity of it so far as it directs that sum to cease?—The Duchy of Cornwall clearly disputed, in the letters before the Treasury, any power to alienate that sum.

577. Then I am correct in my statement, that so far as a general commutation was made, the Duchy of Cornwall has admitted that commutation to be valid, and has received monies under that commutation?—Yes, it has received the 630 *l.*

578. And that so far as by the very same Act of Parliament, a certain Return, and direction was ordered to be made, it has declined to admit the validity of that Return, and the direction given by the Treasury under it?—May I read the 7th section: "And be it enacted, That a Return of the amount of compensation ascertained to be due, and payable on account of the repeal of the said coinage duties on tin, together with a statement of all such compensations as shall be granted to the officers and others, whose emoluments shall be affected by the operation of this Act; and also a Return of the gross annual payments during each of the said 10 years in respect of such coinage duties; and also a Return of all the costs, charges, and expenses to officers and others during such period, incurred in and incident to the ascertaining, managing, and collecting of such coinage duties, shall be laid before both Houses of Parliament within 30 days after the commencement of the next Session of Parliament."

579. Am I correct in stating that that Return found that a certain payment should cease on a certain day?—No, not the Return.

580. The Treasury Minute under the Act?—The Treasury Minute was not under, but in consequence of, the Act.

581. Apart from the existence of the Act, have the Treasury any power to issue a Minute concerning these post groats and commutation money?—No, because the Minute was intended to carry out the intention of the Act.

582. And so far as the Act found a gross sum payable, the Duchy of Cornwall has recognised the validity of the transaction and of the commutation?—That is to say, it has received the money.

583. But

Mr. *Chance*—continued.

583. But so far as the Treasury, in consequence of carrying out (to use your words) the intention of that Act issued a Minute directing the sum of 630 *l.* to cease to be payable after 1841, the Duchy has declined to recognise that portion of the transaction?—They do not find any power given in the Act to the Treasury to alienate.

Chairman.

584. Am I right in assuming that if there has been any irregularity in the payment it has not been on the part of the recipients, but on the part of the Treasury?—Certainly. I think I have stated to the Committee from the commencement that the action of the Treasury is to us inexplicable.

585. Now is it not the fact that, when a settlement on the Prince of Wales's marriage was made, the income of the Duchy of Cornwall was ascertained, and that a sum was voted to make up that income to 100,000 *l.* a year?—I believe that was the case.

586. If that was the case the payment of this item is part of the sum that was ascertained as being part of the income of the Duchy?—Yes, that is the case.

587. So that, though there may have been an irregularity, the public revenue has not suffered on that account; the total charge has not been increased?—That would be the case.

Mr. *Bradlaugh.*

588. Do you mean that the income of the Duchy of Cornwall has always been maintained at precisely 100,000 *l.* a year?—No.

589. As a matter of fact has not the income of the Prince of Wales, taking the income of the Duchy of Cornwall, considerably exceeded 100,000 *l.* a year?—My answer was simply in answer to the question put by the Chairman, whether such and such was not the fact, at the time when the Prince of Wales's endowment was fixed by Parliament; was it not the fact that such and such figures were laid before Parliament, and Parliament made up the sum to reach 100,000 *l.*? My recollection on that subject tallies with that of the Chairman.

590. Then the only question I put upon that is, has not the income of the Prince of Wales, with the income of the Duchy of Cornwall as part of it, considerably exceeded that sum of 100,000 *l.*?—It is extremely likely; but without looking at their Returns I can only say that I should think it is the case.

Chairman.

591. With regard to Paper No. 1, in which you have given a list of pensions commuted since 1881, were not those pensions commuted, the whole of them, in Mr. Courtney's time, when he was Secretary to the Treasury?—A great number of them were.

592. Have any been commuted since?—A few of them were commuted, if I remember right, in Lord Frederick Cavendish's time.

593. The bulk of them in Mr. Courtney's time?—The bulk of them in Mr. Courtney's time, and subsequently.

Chairman—continued.

594. Do you think, in the public interest, it is desirable that all these hereditary and perpetual pensions should be compulsorily commuted?—My opinion is very strongly in favour of commutation, provided always that on reasonable evidence the Treasury can come fairly to the conclusion that it is a permanent payment.

595. Are these Ecclesiastical Returns that you have given us in Paper No. 3 (there is a considerable number of them) permanent payments in the view of the Treasury; they are given as perpetual pensions chargeable on the Consolidated Fund?—A payment made, as we believe, without intermission from the date of Charles II. we should consider permanent.

596. There are also a number of payments for the Scotch universities and for grammar schools, and for Cambridge and Oxford and elsewhere; do you consider it desirable that all those should be commuted?—Subject to the statement of it being fairly shown that they are in the nature of a perpetual payment, I think it desirable to commute them.

597. And do you think it is impossible to discriminate in commutation between those pensions or payments which are paid for services rendered, and others?—I think if there is a distinct service attached to the payment, making it in the nature of a salary, it would be the duty of the Treasury to ascertain, and take legal advice, as to whether such payment ought to be made, independent of the performance of the duty.

598. I see in the Scotch universities there are a certain number of bursaries; these are for the education, I suppose, of poor scholars; do you know whether they are so applied now; is there any record at all of the application of those funds; look, for instance, at St. Andrew's, Edinburgh, Aberdeen, Glasgow; you will notice a number of bursaries?—I have no reason to doubt that payments were made in accordance with the description there; but I could easily obtain information, and tell the Committee what nature of proof there was that they are so applied.

Mr. *Arthur O'Connor.*

599. May I ask if those particular charges are at all provided for in the Act of Union?—If the honourable Member will look at the "authorities," the Act of Union is not mentioned. I should be very much surprised if a deed of that kind was covered by the Act of Union. Perhaps the Chairman will allow me to say the reason why I think this commutation is useful.

Chairman.

600. I suppose all these payments entail a great deal of trouble on the Treasury?—Yes. But I will only mention one case, from the pure pounds, shillings, and pence point of view as a justification. I will take the first pension on the list here, Lord Melbourne's. A pension of his was commuted in 1826; it was commuted for 30,000 *l.*; and supposing that money had been borrowed in Consols at the time, and only the same sum had been paid as Lord Melbourne was receiving, in the intervening time the margin between the interest upon the Consols and the sum

Chairman—continued.

sum payable to Lord Melbourne as pension, would have extinguished by this time no less than 8,700 *l.* out of the sum of 30,000 *l.*

601. Is it not the fact that the tendency is for the rate of interest to become lower and lower, and consequently to increase the cost of commutation the longer it is deferred?—Yes. But I was going further than that. I was stating in this particular instance that supposing the same sum to have been set aside during all this period as was payable to Lord Melbourne before that time if no commutation had taken place, that sum would be now at all events not worth less than 30,000 *l.*; in consequence of the commutation, supposing us to have paid not a farthing more than we were paying to Lord Melbourne before the time, the Sinking Fund which has accumulated during that time would amount to the best part of a third of the sum. Clearly on that ground it appears to me, apart from getting rid of the trouble of the management of the pensions, that it is a fair financial operation.

Chairman—continued.

Sir *Richard Webster.*

602. Do you know what price Consols were at that time?—Consols were then at 78.

LIST OF APPENDIX.

Appendix, No. 1.

Papers handed in by Sir Reginald Welby, K.C.B.: PAGE

Hereditary Pensions, Payments, and Allowances.—Detailed Lists of all Hereditary Pensions, Payments, and Allowances, in Existence on 1st January 1881, which were either Chargeable on the Consolidated Fund or Payable from Voted Moneys, with an Explanation of the Origin in each Case, and the Grounds of the Original Grant; also, showing the Pensions, &c., which have since been Redeemed, the Date of Redemption, the Amount of Redemption Moneys, and how provided, and the Terms upon which the Redemption took place - - - - - - - - 42

Hereditary Pensions, &c., chargeable on the Consolidated Fund on 1st January 1881 - 42

Hereditary Pensions, &c., chargeable on the Consolidated Fund on 1st January 1881, formerly chargeable on the Land Revenue of the Crown - - - - - 47

Hereditary Pensions chargeable on Voted Moneys on 1st January 1881 - - - 50

Extracts from the Grants of Creation Money to the Duke of Norfolk - - - - 51

Letters Patent, dated the 18th of June, in the 17th year of Henry VIII., creating Thomas Maners Earl of Rutland, and granting him Creation Money of 20 *l.* a year - 52

Basis of Computation for Persons desiring to commute Pensions under the Pensions Commutation Act, 1871 - - - - - - - - - - - - - - 53

Memorandum on the proposed Commutation of the Marlborough and Penn Pensions, submitted to the Treasury, 9th June 1884, by C. Bradlaugh, Esq., M.P. - - - 53

Appendix, No. 2.

Papers handed in by Sir Reginald Welby, C.B.:

Correspondence relating to the continuance of the Compensation Allowance of 630 *l.* 14 *s.* 2 *d.* a Year in lieu of Post Groats received on Tin coined in the County of Cornwall after the 5th of April 1841 - - - - - - - - - 55

No. 1.—Letter from the Duchy of Cornwall Commissioners, dated the 5th April 1841, 7383—41, dated Duchy of Cornwall, Somerset-place, 5th April 1841 - 55

Enclosure 1, in No. 1.—Letter from Mr. J. S. Tucker to the Duchy of Cornwall, dated 5, Pump-court, 29th March 1841 - - - - - 56

Enclosure 2, in No. 1.—Memorial from Mr. J. S. Tucker to the Duchy of Cornwall, dated the 15th of May 1840 - - - - - - - 56

No. 2.—Treasury Minute, dated the 7th of June 1841.—(9178—41) - - - 57

No. 3.—Letter from the Duchy of Cornwall, of the 8th of July 1841.—(14,554—41), dated Duchy of Cornwall, Somerset House, 8th July 1841 - - - 57

Appendix, No. 3.

Paper handed in by Sir Reginald Welby, K.C.B.:

Detailed List of Perpetual Pensions and Allowances in existence on 1st January 1881 (other than those included in the Return of Hereditary Pensions already laid before the Committee) - - - - - - - - - - - - - - - 58

Perpetual Pensions, &c., chargeable on the Consolidated Fund on 1st January 1881 58

Perpetual Pension, &c., chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act 29 & 30 Vict. cap. 62 - - - - - - - - - - - - 59

List of Perpetual Pensions chargeable on Voted Moneys on 1st January 1881 - 69

Appendix, No. 4.

Paper handed in by Sir Reginald Welby, K.C.B.:

Salaries charged on the Consolidated Fund payable to Hereditary Officers - - - 71

Appendix, No. 5.

Papers handed in by Sir Reginald Welby, K.C.B.: PAGE

Creation Money.—Duchy of Lancaster - - - - - - - - - - 72

Appendix, No. 1.—Pipe Roll 42 Edward III. - - - - - - - - 72

Appendix, No. 2.—Charter Roll 23 Edward III. - - - - - - - 73

Appendix, No. 3.—Pipe Roll 42 Edward III. - - - - - - - - 73

Appendix, No. 4.—10 Elizabeth Pipe Roll - - - - - - - - 73

Appendix, No. 5.—Order Book (Exchequer Lord Treasurer's Remembrancer) 2 Geo. III. to 9 Geo. III. - - - - - - - - - - - - 74

Appendix, No. 6.

Papers handed in by Sir Reginald Welby, K.C.B.:

Annuity of £. 6,870 to the Duke of Grafton.—Schedule of Particulars of Land Purchased out of the Proceeds of Sale of the greater part of the Sum of 229,000 *l.* Consols, referred to in Parliamentary Paper, No. 80, of 1881, and showing how this Sum has been reduced to 30,555 *l.* 10 *s.* 8 *d.* (Stock) - - - - - - - - 75

Annuity of £. 6,870 to the Duke of Grafton.—Statement of Dealings with Prizage Fund prepared by Messrs. Farrer & Co. - - - - - - - - - - 79

Appendix, No. 7.

Paper handed in by Sir Reginald Welby, K.C.B.:

The Parliamentary Trust of his Grace the Duke of Richmond and Gordon, K.G. - 83

Statement of Consolidated 3 per Cent. Bank Annuities, representing the Annuity of 19,000 *l.* funded or redeemed under the provisions of the Act of Parliament, 39 & 40 George III., c. 43, and of the Application of the proceeds of Sale of such Consols in the Purchase of Lands, prepared by Messrs. Davidson, Burch & Co. - - - - - - - - - - - - - - - 83

Appendix, No. 8.

Paper handed in by Sir Reginald Welby, K.C.B.:

Annuity of £. 19,000 to the Duke of Richmond.—Copy of the Letters Patent of 18th December 1676, referred to on page 2 of the Parliamentary Paper, No. 80, of 1881, granting to Charles Duke of Richmond, 12 *d.* per Chaldron on Coals shipped at Newcastle - - - - - - - - - - - - - - - - 87

Appendix, No. 9.

Paper handed in by Sir Reginald Welby, K.C.B.:

Pendrell Pension - - - - - - - - - - - - - - - 92

Appendix, No. 10.

Paper handed in by Sir Reginald Welby, K.C.B.:

Annuity of £. 19,000 to the Duke of Richmond, 1887 - - - - - - - 98

The Parliamentary Trustees of the Goodwood Estates.—Schedule of Particulars, showing the dealings with certain Sums of Consols amounting together to 633,333 *l.* 6 *s.* 9 *d.* transferred into the Names of the Parliamentary Trustees in exchange for an Annuity of 19,000 *l.* charged upon the Consolidated Fund, showing how this Sum, with certain additions thereto, arising from Sales and Enfranchisements, has been reduced to 241 *l.* 12 *s.* 5 *d.*, like Stock now standing in the Trustees' Names - - - - - - - - - - - - 98

Appendix, No. 11.

Memorandum handed in by Sir Reginald Welby, K.C.B.:

Information furnished in pursuance of certain Questions asked in course of Examination.—1. Heneage Pension. 2. The Dauverquerque Pension. 3. The Schomberg Pension - - - - - - - - - - - - - - 107

APPENDIX.

Appendix, No. 1.

PAPERS handed in by Sir *Reginald Welby*, K.C.B.

HEREDITARY PENSIONS, PAYMENTS, AND ALLOWANCES.

DETAILED LISTS of all HEREDITARY PENSIONS, PAYMENTS, and ALLOWANCES, in Existence on 1st January 1881, which were either Chargeable on the Consolidated Fund or Payable from Voted Moneys, with an Explanation of the Origin in each Case and the Grounds of the Original Grant; also showing the PENSIONS, &c., which have since been Redeemed, the Date of Redemption, the Amount of Redemption Moneys and how Provided, and the Terms upon which the Redemption took place.

HEREDITARY PENSIONS, &c., chargeable on the CONSOLIDATED FUND on 1st January 1881.

ORIGINAL GRANTEES.	Amount per Annum.	ORIGIN.		Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
John, Lord Boringdon (Earl of Morley), and John Campbell, Esq., and their heirs and assigns, for the representatives of Jeffery, Lord Amherst.	£. s. d. 3,000 – –	43 Geo. III. c. 159 - -	It is recited in the Act 43 Geo. III., c. 159, that the King sent a message to the House of Commons acquainting them that in consideration of the eminent services of Jeffery, Lord Amherst, during his command in America, and particularly in the reduction of the Province of Canada, &c., the King, was induced, subsequent to the War during which those services were rendered, to direct that a grant should be made to his Lordship, his heirs and successors, of a certain tract of land in that province; but that in consequence of difficulties arising from local circumstances his intentions had not been carried into effect, and that his Majesty relied with confidence on the justice and liberality of the House of Commons to make such compensation to the representatives of the late Lord Amherst as under the circumstances of the case should appear to be adequate and proper. The pension of 3,000 *l.* a year is granted to the trustees named, and their heirs and assigns for ever, in trust for the purposes of the will of Jeffery, Lord Amherst, which are recited in the preamble of the Act.	August 1885 -	£ s. d. 80,835 – –	By creation of a ten years' annuity of 9,597 *l.* 12 *s.* 9 *d.* per annum, under 46 & 47 Vict. c. 1.	26·945 years' purchase.
Earl of Bath (held by the heirs of Captain Garth).	1,200 – –	Letters Patent of 16th August 1674.	Grant to John, Earl of Bath, and his heirs for ever, a pension of 3,000 *l.* a year in consideration of the great and eminent services done to Charles II. and his late royal father, Charles I., by the said John, Earl of Bath, and his father, Sir Bevill Grenville, who died at the battle of Landsdowne in defence of the Crown, against the rebels.	April 1883 -	32,334 – –	By creation of a ten years' annuity of 3,839 *l.* per annum, under 45 & 46 Vict. c. 72, sect. 15.	26·945 years' purchase.
Viscount Exmouth - - -	2,000 – –	54 Geo. III. c. 164 - -	It is recited in the Act, 54 Geo. III. c. 164, that the Prince Regent sent a message to the House of Commons, in which he declared that having taken into consideration the distinguished service performed by Vice-Admiral Edward, Lord Exmouth, in the course of the late war, and being desirous of bestowing upon the said Lord Exmouth a signal mark of his favour, and for this purpose to give and grant unto the said Lord Exmouth, and the heirs male of his body, to whom the title of Baron Exmouth of Canonteign, in the County of Devon, should descend, a net annuity of 2,000 *l.*, he recommended the House of Commons to consider of a proper method of enabling His Majesty to grant the same. The pension of 2,000 *l.* a year was granted in accordance with the Prince Regent's recommendation.	—	—	—	—

Duke of Marlborough - -	4,000 – –	Letters Patent of 22nd December 1702, 5 Anne, c. 4, and 19 & 20 Vict. c. 59.	It is recited in the Act, 5 Anne, c. 4, that the Queen sent a message to the House of Commons that she, in consideration of the great and eminent services performed by John, Duke of Marlborough, in the first year of Her Reign, as well by his prudent negociations as Her Majesty's Plenipotentiary at the Hague, as by his valour and good conduct in the command of the confederate armies abroad, thought fit to grant to him and the heirs male of his body, during Her Majesty's life, a pension of 5,000 *l.* per annum out of the revenue of the Post Office, and that an Act having passed this Session for settling the honours and dignities of the said Duke upon his posterity, and annexing the Honour and Manor of Woodstock and House of Blenheim to go along with the said honours, it would be very agreeable to Her Majesty if the pension of 5,000 *l.* per annum be continued and limited by Act of Parliament to his posterity, for the more honourable support of their dignities, in like manner as his honours and the Honour and Manor of Woodstock and House of Blenheim are already limited and settled. The pension of 5,000 *l.* a year was granted in lieu of the pension of like amount already granted during the Queen's life, and was made payable to the Duke for his life, then to Sarah, Duchess, for her life, then to the Duke's heirs male, then to each of his daughters and their respective heirs male, and to all others, in the same manner as the Duke's titles, honours, and dignities are by the Act, 5 Vict. c. 3, limited to go and be enjoyed.	August 1884 -	107,780 – –	By creation of a ten years' annuity of 12,796 *l.* 17 *s.* per annum, under Act 46 & 47 Vict. c. 1.	26·945 years' purchase.
Earl Nelson - - - - -	5,000 – –	46 Geo. III. c. 146 -	The Act 46 Geo. III. c. 146, recites that the King had sent a message to the House of Commons, in which he declared that he had taken into his royal consideration the eminent and signal services performed by the late Vice Admiral Lord Viscount Nelson, in a long series of distinguished exploits, and particularly in the glorious and decisive victory of Trafalgar, in which he unfortunately fell; and that being desirous to bestow on the family of the said Lord Viscount Nelson, such considerable and lasting mark of his royal favour as might correspond with the sense His Majesty entertained of services so honourable to the British Navy, and so eminently beneficial to the interests of the nation; and for that purpose of granting to the Earl Nelson, and to the heirs male of his body, and such other persons on whom the title of Earl Nelson may descend, a net annuity of 5,000 *l.* during their respective lives. The pension of 5,000 *l.* a year was granted in accordance with the King's recommendation.	—	—	—	—
Heirs and descendants of William Penn.	4,000 – –	30 Geo. III. c. 46 - -	It is recited in the Act 30 Geo. III., c. 46, that King Charles the 2nd by Letters Patent granted to William Penn, Esquire, his heirs, and assigns, all that tract of land in North America, now or late called the Province or State of Pennsylvania. It is recited that all the estates, rights, and interests which were comprised in the said patent have become vested in John Penn, of Stoke Pogis, in the County of Bucks, Esquire, and John Penn, of Wimpole-street, in the Parish of Saint Marylebone, in the County of Middlesex, Esquire, and their descendants, with several remainders over in the proportion of three-fourths to John Penn, of Stoke Pogis, and one-fourth to John Penn, of Wimpole-street. It is recited that by an Act of the State of Pennsylvania, passed on the 27th November 1779, it was enacted that all the estate whereof the heirs and devisees, grantees, and others claiming as proprietaries of the Province of Pennsylvania, stood seized, or to which they were entitled on the 4th of July 1776, of, in, or to the soil and land within the said province, under the provisions of the said Charter or grant of the Crown to the said William Penn and his heirs, should be vested in the Commonwealth of Pennsylvania for the use and benefit of the citizens thereof, subject to the disposal of the then present or any future legislature of the said Commonwealth; and that it was thereby enacted (amongst other things), that the sum of 130,000 *l.* should be paid to the devisees and legatees of Thomas Penn and Richard Penn, Esquires, deceased, then late proprietaries of Pennsylvania respectively, and to the widow and relict of the said Thomas Penn, in proportions thereafter to be ascertained. It is stated that in consideration of the great extent of the losses above recited, and of the meritorious services of the said William Penn, it is worthy of the King's Royal munificence, and of the liberality of the British nation, that a further provision should be made for the descendants of the said William Penn, and that the House of Commons has for that purpose resolved that the annual sum of 4,000 *l.* be granted ont of the Consolidated Fund to the heirs and descendants of the said William Penn. The pension of 4,000 *l.* a year for ever was granted to certain trustees in trust as to three-fourths for John Penn, of Stoke Pogis, and his descendants, and as to one-fourth for John Penn, of Wimpole-street, and his descendants.	April 1884 -	107,780 – –	By creation of a ten years' annuity of 12,796 *l.* 17 *s.* per annum, under Act 46 & 47 Vict. c. 1.	26·945 years' purchase.

Hereditary Pensions, &c., chargeable on the Consolidated Fund on 1st January 1881—*continued.*

ORIGINAL GRANTEES.	Amount per Annum.	ORIGIN.		Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
	£. s. d.				£. s. d.		
Lord Rodney - - - -	2,000 - -	33 Geo. III. c. 77 - -	It is recited in the Act, 33 Geo. III. c. 77, that by the Act, 23 Geo. III. c. 86. entitled, "An Act for settling and securing a "certain Annuity on George, Lord Rodney, and the two next "Persons to whom the Barony of Rodney shall descend, in con-"sideration of the eminent Services performed by the said "George, Lord Rodney, to His Majesty and the Public," an annuity of 2,000 *l.* was granted to George Brydges Rodney, then Lord Rodney, since deceased, for the life of the said George Brydges, Lord Rodney, and after his death unto the two next succeeding heirs male of the body of the said George Brydges, Lord Rodney, on whom the said title of Lord Rodney should descend during their lives. On the King's recommendation the said pension of 2,000 *l.* a year is continued to all future heirs male of the body of George Brydges Rodney, late Lord Rodney, on whom the title of Lord Rodney should descend.	—	—	—	—
Duke of Schomberg - - -	- - -	Letters Patent dated 22nd December (8 Will. III.). Letters Patent dated 29th June 1715, and Act 1 Geo. I. No. 78.	The Letters Patent of 29th June 1715, recite that an Act had lately been passed in Parliament, intituled, "An Act to enable "His Majesty to grant Letters Patent to supply a defect in a "grant made by His Majesty King William the Third, unto "Maynhard, Duke of Schomberg and Leinster, of the annual "sum of 4,000 *l.* out of the revenues of the Post Office, until the "sum of 100,000 *l.* be paid." Grant to Maynhard, Duke of Schomberg and Leinster, and the heirs male of his body, and, for want of such issue, to the heirs of the body of the said Duke, and in default of such issue, to the right heirs of the said Duke, until the sum of 100,000 *l.* shall be paid, an annuity of 4,000 *l.*	(*a*) Aug. 1883	1,293 7 2	Voted moneys -	26·945 years' purchase.
Payable as follows:				(*b*) Aug. 1883	1,293 7 2	- ditto - -	26·945 „ „
To Philip Lybbe Powys, on proof of life of Rev. C. R. Powys - - - -	360 - -			(*c*) Jan. 1883	1,940 - -	- ditto - -	26·945 „ „
To Robert Gosling - -	360 - -			(*d*) Aug. 1883	2,586 14 4	- ditto - -	26·945 „ „
To Caroline E. L. Handcock	(*a*) 48 - -						
To Georgina Louisa Helen Morton Eden - - -	(*b*) 48 - -						
To Henrietta Lady M'Leod	(*c*) 72 - -						
To Major-General Henry Lynedoch Gardiner -	(*d*) 96 - -						
£.	984 - -						

The Act 1 Geo. 1, No. 78, recites that "Their late Majesties King William and Queen Mary, taking into their princely consideration soon after their accession to the Crown of England, the great and faithfull services performed to them and these kingdoms by the then Mareschall Frederick Duke of Schonburg, then Master General of their Ordnance and Captain General of their Land Forces (since deceased); and more especially reflecting upon his most prudent conduct under them, not only in the hazardous attempt which they had made into this kingdom for redeeming the same from Popery and arbitrary power, but also in his continued endeavours to serve them in order to the compleating a prosperous, happy, and settled condition of affaires in their kingdoms, and considering the great losses he had sustained on account of professing the Protestant religion, by the confiscation of his lands and possessions, and loss of his places and imployments in France, and by the destruction of his castles, lands, and territories in the County Palatine of the Rhine in Germany, and for other great and weighty considerations, being disposed to conferr, upon the said late Duke and his posterity a reward for his merritts which might create a lasting remembrance of the gracious sense they had of his services before mentioned; did fully resolve and determine to bestow upon the said late Duke or trustees, by his nomination, the full sume of one hundred thousand pounds of lawfull English money, to be paid out of the treasure which was or should be in the receipt of their Exchequer, by certain proportions and at certain daies or times long since past, which sume was to be laid out in the purchasing of lands of inheritance that were to be settled in trustees and their heires, so as that the profitts thereof might be enjoyed by the said Frederick Duke of Schonburg during his life, and after his decease by Charles, one of the sons of the said Duke (who was afterwards Duke of Schonburg), and the heires male of the body of the said Charles; and for default of such issue, then by Maynhard, now Duke of Schonburg and Leinster, another son of the said Duke Frederick, and the heires male of the body of the said Maynhard lawfully begotten or to be begotten, and for default of such issue then by the heires male of the body of the said late Duke Frederick lawfully begotten or to be begotten; and for default of such issue, then by the right heires of the said late Duke Frederick for ever."

Earl of Kinnoul - - -	676 - 4 -	Letters Patent of 19th July 1673.	These Letters Patent of 19th July 1673, recite some earlier Letters Patent, formerly granted by Charles I. to James, Earl of Carlisle, since deceased, and his heirs, from whom William, Earl of Kinnoul, and his heirs, had derived to himself a title, claim, and interest in the Caribean Islands and other islands mentioned in the said Letters Patent; recite an agreement with the Earl of Kinnoul for the surrender of his title; recite an Order in Council of 13th June 1663, directing the payment to the Earl of Kinnoul of 500 *l.* a year for seven years, and thenceforward to the said Earl and his heirs, 1,000 *l.* a year for ever out of the King's Revenue of 4½ per cent. at Barbadoes: recite the non-payment of the sums granted by the Order in Council; reserve the consideration of the payment of the arrears due, but direct that there be paid to the said William, Earl of Kinnoul, the sum of 600 *l.* per annum for five years, and that at the expiration thereof the full sum of 1,000 *l.* per annum be duly paid unto him and his heirs for ever.	May 1883 -	18,220 4 -	By creation of a ten years' annuity of 2,163 *l.* per annum, under Act 46 & 47 Vict. c. 1.	26·945 years' purchase.
Duke of Grafton - - -	843 - -	Act 8 & 9 Vict. c. 34 -	It is recited in the Act, 8 & 9 Vict. c. 34, that the office of Receiver General and Controller of the Seals of the Courts of King's Bench and Common Pleas was, by Letters Patent under the Great Seal, dated the 30th of April, in the 25th year of King Charles the Second, granted to Henry, Earl of Euston, afterwards Duke of Grafton, in tail male. It is recited that by the Act, 6 Geo. IV. c. 89, it was recited that the office in question was then held by a person entitled thereto under the said grant, and that under the provisions of the last-named Act the Treasury had agreed with the late and "present" Duke of Grafton to purchase the said office for an annuity of 843 *l.*, payable to the Duke of Grafton. A pension of 843 *l.* a year is granted, payable to the "present" Duke of Grafton during his life, and at his decease to be continued from time to time to such person or persons as would have been entitled to the fees, profits, and advantages of the said office of Receiver General and Controller of the Seal of the said Courts under the Letters Patent recited above, if the same had not been abolished by the Act first above quoted.	August 1883 -	22,714 12 8	By creation of a ten years' annuity of 2,696 *l.* 18 *s.* 9 *d.*, under Act 46 & 47 Vict. c. 1.	26·945 years' purchase.
Sir E. Mostyn - - -	786 18 8	7 Wm. IV., and 1 Vict. c. 30.	These pensions were granted by the Treasury under the provisions of Section 26 of the Act, 1 Vict. c. 30, to the joint holders of the office of Custos Brevium of the Court of Common Pleas, which was abolished by that Act. They consist of the following separate allowances, viz. :—	July 1884 -	21,000 - -	By creation of a ten years' annuity of 2,493 *l.* 7 *s.* 6 *d.* per annum, under Act 46 & 47 Vic. c. 1.	26·6858 years' purchase.
Sir Wm. Eden - - -	786 18 8	- Ditto - - -		May 1884 -	21,203 18 4	By creation of a ten years' annuity of 2,517 *l.* 12 *s.* per annum, under Act 46 & 47 Vict. c. 1.	26·945 years' purchase.

	£.	s.	d.
For loss of office of Custos Brevium (1838) -	606	10	–
For loss of appointment of Clerk of the Juries (1845) - - - - - - -	60	–	–
For loss of appointment of Second Prothonotary (1855) - - - - - - -	805	–	–
For loss of appointment of Second Secondary (1861) - - - - - - - -	102	7	6
Total - - £.	1,573	17	6

By Letters Patent, dated the 14th of December, in the 29th year of the reign of King Charles the Second, the office of Custos Brevium of the Court of Common Pleas was granted, subject to certain life estates then subsisting, to the Earl and Countess of Lichfield for their lives, and to the issue of the Countess in tail. At the time of the grant of the pension of 606 *l.* 10 *s.* in 1838, the joint holders of the office were, as to one-half, Sir E. Mostyn; as to one quarter, Sir W. Eden; and as to the remaining quarter, Mr. C. Browning. In 1865, on the death of Mr. Browning, Sir W. Eden became entitled to his share.

Hereditary Pensions, &c., chargeable on the Consolidated Fund on 1st January 1881—*continued.*

ORIGINAL GRANTEES.	Amount per Annum.	ORIGIN.		Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
	£. s. d.				£. s. d.		
Officer of the Pipe, payable to R. Harrison.	62 9 8	3 & 4 Will. 4, c. 99 -	The freehold office of Remembrancer of First Fruits and Tenths of the Clergy in the Court of Exchequer was granted to Marmaduke Gibbs. in trust for the Duke of Grafton, under Letters Patent of 24th January, 31 Car. 2. The office was sold by the Duke of Grafton in 1765, and, after passing through various hands, was purchased by R. Harrison in 1798. Compensation, calculated on the average of the last 10 years, was granted in 1835 for the loss of certain fees under the Act 3 & 4 Will. 4, c. 99. On Mr. Harrison's death, in July 1835, the Treasury were advised that the office was originally granted in fee, and that they were bound to continue the annuity in perpetuity.	—	—	—	—
Hereditary Chief Proclamator and Usher, G. H. W. Heneage.	588 6 9	15 & 16 Vict. c. 73 - -	The offices of Hereditary Chief Proclamator, Court of Common Pleas, and Hereditary Chief Usher, Court of Exchequer, were abolished by the Act 15 & 16 Vict. c. 73, of which Section 22 enacted that a fit and proper compensation should be awarded to G. H. W. Heneage, Esq, the holder of the two offices, during his life, and after his death to such person or persons as would have been entitled to hold such offices, or either of them, upon satisfactory proof of his, her, or their being so entitled by the payment of such annual sum as the Lords of the Treasury might find to be a fair and reasonable compensation (taking into consideration the profits of the last 30 years) for the loss of right of appointing certain officers in the Courts of Common Pleas and Exchequer. Under this section a pension of 588 *l.* 6 *s.* 9 *d.* a year was awarded to Mr. G. H. W. Heneage. On his death, in 1876, the Treasury was advised that the pension was properly payable to his son, Mr. Clement Walker Heneage Subsequently, in 1885, the Treasury was advised that the pension might properly be redeemed on the basis of a perpetuity.	April 1886 -	15,852 15 -	By creation of a 10 years' annuity of 1,882 *l.* 5 *s.* per annum, under Act 46 & 47 Vict. c. 1.	26·945 years' purchase.
Sir Edward Hulse - - -	10 4 6	5 & 6 Will. 4, c. 82 -	By the Act 3 & 4 Will. 4, c. 74, certain offices connected with Fines and Recoveries in the Court of Chancery were abolished, and several lords of liberties, and other persons, lawfully entitled to receive certain sums or fines, payable on the alienation of land and other hereditaments by fine or recovery, were wholly deprived thereof. By the Act 5 & 6 Will. 4, c. 82, s. 7, the Treasury was empowered to award such annual or other compensation as in their discretion should seem just and reasonable. Under this provision the Treasury awarded the compensation allowance of 10 *l.* 4 *s.* 6 *d.* a year, now received by Sir Edward Hulse. In 1875 the Treasury was advised that this and other similar annuities were payable in perpetuity.	—	—	—	—

Hereditary Pensions, &c., chargeable on the Consolidated Fund on 1st January 1881, formerly chargeable on the Land Revenue of the Crown.

GRANTEES.	County, &c., on which First Charged.	Amount per Annum.	ORIGIN.	Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
Heirs of Thomas Warren, now payable to Georgiana M. Archer.	Berks - - -	£. s. d. 12 7 2	Pension Deed, 30 Car. 2 - - - - - - - - - - - - This pension, which (free of deductions) stands at the sum of 13 *l.* 6 *s.* 8 *d.* a year, was originally charged upon the Manor of Saundervillc and Bray, in Southmoreton, in the county of Berks, and the obligation to pay it devolved upon the Crown, in consequence of the attainder of Sir Francis Eaglefield, of whose estates the said manor formed part. Sir Francis Eaglefield, being a zealous Catholic, left England shortly after the accession of Queen Elizabeth, without having obtained the royal licence, and never returned to his allegiance. His estates were surveyed, and seized into the possession of the Crown, but were not definitely forfeited until after the passing of an Act in the 28th year of Elizabeth for the attainder of Sir Francis Eaglefield on account of his complicity in the treasonable plots devised by the emissaries of Spain. The pension was originally granted by an Indenture of Covenant, dated the 17th of January, in the 13th year of Henry VIII., made between Margaret Warren, widow, and Thomas Warren, heir of the said Margaret, of the one part, and Thomas Eaglefield of the other part, and it was made payable to them and their heirs, for the use of the said Margaret and Thomas Warren, and of the heirs of the body of the said Thomas lawfully begotten, and in the event of the failure of such issue the pension was to cease.	—	£. s. d. —	—	—
Owner of Cheshunt Park, now payable to F. J. Prescott and others.	Hertford - -	26 15 -	By Letters Patent, 14th February 1661, Cheshunt Park was granted by Charles II. to the Duke of Albemarle free of tithe, with a proviso that if the Vicar at any time made good his claim to tithes, the owner should receive an annuity of 28 *l.* 10 *s.* (net 26 *l.* 15 *s.*) from the Crown. No tithe was claimed until the year 1827, when the Vicar instituted a successful suit against Mr. T. A. Russell, the then owner, who in his turn claimed the annuity, to which the Law Officers pronounced him entitled. The Vicar, however, by bringing this action forfeited an annuity of 57 *l.*, charged on the Land Revenues, which had been granted by King James I.	—	—	—	—
Lord of the Liberty of Furness, now payable to E. Wadham.	Lancaster - -	9 - -	Certain lands in Muchland, *alias* Aldingham, in Lancashire, were forfeited to the Crown on the attainder of Henry Grey, Duke of Suffolk, in 1554. Prior to such forfeiture they were subject to an annual payment of 10 *l.* payable to the Lord of the Liberty of Furness. Since the date of the forfeiture the net sum of 9 *l.* has been paid annually to the Lord of the Liberty of Furness. Until 1868 it was paid from the Land Revenues, but in that year it was transferred to the Consolidated Fund, under the authority of the Act 29 & 30 Vict. c. 62, and the Treasury Warrant of 30th June 1868 (Parl. Paper, No. 457, of 1868).	—	—	—	—

HEREDITARY PENSIONS, &c., chargeable on the Consolidated Fund on 1st January 1881, formerly chargeable on the Land Revenue of the Crown—*continued.*

GRANTEES.	County, &c., on which First Charged.	Amount per Annum.	ORIGIN.	Date of Redemption.	Redemption Money. Amount.	Redemption Money. How Provided.	Terms of Redemption.
		£. s. d.			£. s. d.		
Master of the Hawks, payable to the Duke of St. Albans.	City of London -	965 – –	By Letters Patent, dated 5th July 1684, James II. granted this office to the ancestor of the Duke of St. Albans and his heirs for ever, charging the salary and expenses upon revenues at the disposal of the Crown. The right of the Duke of St. Albans to the annuity was referred by the Treasury to the Law Officers in 1831, and they reported that the heirs of the first grantee of the office have such an interest in the salary granted as to render it imperative upon the Lords of the Treasury to make provision for continuing the annual payment. The sums granted by the original Patent were as follows, viz. :—	—	—	—	—
			Master of Hawks, salary - - - - - - £. 391 1 5 Four Falconers, at 50 *l.* per annum each - - 200 – – Provision of Hawks - - - - - - 600 – – Provision of Pigeons, Hens, and other Meats - 182 10 – TOTAL - - - £. 1,373 11 5				
			This amount has been reduced by office fees and other deductions to 965 *l.* a year. It was charged on the Land Revenues under the Act 3 & 4 Will. 4, c. 86, and the Treasury Warrants of 12th September 1833 and 14th February 1834. It was subsequently transferred to the Consolidated Fund, under the authority of the Act 29 & 30 Vict. c. 62, and the Treasury Warrant of 30th June 1868 (Parl. Paper, No. 457, of 1868).				
Lord of the Manor of Taynton -	Oxford - - -	1 10 –	This annuity was a charge upon Payne's Farm, Whichwood, Oxfordshire. The land was purchased by the Crown (subject to the charge) in 1862. It was transferred to the Consolidated Fund under the Act 29 & 30 Vict. c. 62, and the Treasury Warrant of 30th June 1868.	7 Feb. 1883	45 – –	Voted moneys -	30 years' purchase.
Lord of the Manor of Appuldurcombe, Isle of Wight.	Southampton - -	2 1 10	The Governors of the Isle of Wight held in former times the Castle of Carisbrook and some land near Newport, and received the rents and profits as part of the emoluments of the office. On the death of the Earl of Malmesbury, who was Governor up to 1841, the castle and land were transferred to the management of the Office of Woods and Forests, subject to the payment of certain annual charges. Among these the following items were payable in one sum to the Lord of the Manor of Appuldurcombe, viz. :—	March 1885	62 15 –	Voted moneys -	30 years' purchase.
			Payment to the reeve of the manor of Aspe - £. 1 – – Payment to the reeve of Hyton - - - - 10 – Payment for decayed rent - - - - - 1 – 9½ 2 10 9½ Deduct for Land Tax - - - 8 11½ Net payment - - - £. 2 1 10				

039. A rent resolute issuing out of the Castle of Fillingharne, now payable to the trustees and executors of the late Earl of Dysart.	South Wales -	75 10 –	By grant of 20th July, in the third year of Charles I., the Castle and Manor of Fillingharne were sold, and a charge thereon of 80 *l.* a year (net 75 *l.* 10 *s.*), payable to heirs or assigns of the Earl of Northumberland (to whom it was granted by King Philip and Queen Mary on the 16th August, in the fourth and fifth years of their reign), was transferred to the Exchequer and afterwards charged on the Land Revenues of South Wales.	—	—	—	—
Dauverquerque, Seignor, Henry de Nassau, now payable to L. L. Cohen.	South Wales - -	375 16 –	By Letters Patent, dated 9th June 1694, King William III. and Queen Mary II. granted a pension of 2,000 *l.* a year to Henry de Nassau, Lord D'Auverquerque, his heirs and assigns for ever, in consideration of his many and faithful services. Lord Cowper, who held four-fifths of this annuity (1,600 *l.* gross or 1,503 *l.* 4 *s.* net), offered to sell his portion, in March 1853, for 40,000 *l.*, which was accepted.	—	—	—	—
Hillsborough, Constable of the Fort of, now payable to the Marquis of Downshire.	Ireland - - -	216 13 4	By Letters Patent, dated the 16th of December 1660, Charles II. appointed Arthur Hill, and his heirs and assigns for ever, Constable of the Fort of Hillsborough, county Down, charging the salary and expenses on the revenues of His Majesty, his heirs and successors within the Kingdom of Ireland, viz. :—	—	—	—	—

	£.	*s.*	*d.*
Salary of Constable, 3 *s.* 4 *d.* per diem - -	60	16	8
Salary of 20 warders, 6 *d.* per diem each - -	182	10	–
TOTAL - - - £.	243	6	8

After customary deductions the net amount payable is 216 *l.* 13 *s.* 4 *d.* a year.

The Law Officers reported in 1832 that in their opinion the Patent was valid, and that it was necessary to make provision for the pay of the Constable and Warders. The Report of the Select Committee on Civil List Charges in 1833 accordingly recommended that the charge should be borne by the Land Revenues, care being taken that no stronger title or assurance should be given than already existed by Letters Patent. The charge was transferred to the Land Revenues under the authority of the Act 3 & 4 Will. 4, c. 86, and the Treasury Warrant of the 12th of September 1833. The charge was subsequently, in 1868, transferred to the Consolidated Fund under the authority of the Act 29 & 30 Vict. c. 62, and the Treasury Warrant of 30th June 1868 (Parl. Paper, No. 457, of 1868).

Hereditary Pensions chargeable on Voted Moneys on 1st January 1881.

GRANTEES.	Amount per Annum.	ORIGIN.	Date of Redemption.	Redemption Money.		Terms of Redemption.
				Amount.	How Provided.	
	£. s. d.			£. s. d.		
Clarges' Annuity - - -	500 – –	By Letters Patent, dated the 18th of December 1676, Charles II. granted to the Duke of Richmond and his heirs a duty of 1 *s.* per chaldron on all coals exported from the Tyne and consumed in England. In 1799 an annuity of 19,000 *l.* was made chargeable on the Consolidated Fund by way of compensation for, and for the purchase of, this duty, popularly known as the Richmond shilling. The Duke's interest in this 1 *s.* duty on coals was charged with the payment of 500 *l.* a year to Sir Thomas Clarges, his heirs and assigns. Under 39 Geo. 3, c. 84, this annuity was charged upon the gross Customs duties on coal; and 39 & 40 Geo. 3, c. 43, confirmed this arrangement. On the repeal of the London port duty on coals, by 1 & 2 Will. 4, c. 16, legislative sanction for the continued payment from revenue was accidentally omitted. The opinion of the Law Officers was therefore taken, and they reported that, although there existed no power by law to make payment out of any branch of revenue, Sir Thomas Clarges' rights were good, and it was the duty of the Government to provide for the pension. The pension was accordingly charged to Votes in Supply.	August 1883	13,472 10 –	By creation of a 10 years' annuity of 1,600 *l.* per annum, under Act 46 & 47 Vict. c. 1.	26·945 years' purchase.
Creation Fees payable to—						
Duchy of Lancaster - -	100 10 10	It is stated in Stubbs' Constitutional History, Vol. III., p. 434, that when a Duke was created he generally received a pension of 40 *l.* a year on his promotion, which was known as "creation money." In the case of a Marquis the creation money was 35 *l.* (*ibid.* p. 435). The same author states (p. 436) that the Earl's creation money, 20 *l.*, was a substitute for the third penny of the county, of which little is heard after the 13th century, and that the retention of this payment probably suggested the bestowal of creation money on those who were raised to the newer ranks of the Peerage. The creation money of a Viscount was 20 marks (*ibid.* p. 526). The creation money formerly payable to the Duchy of Lancaster was made up of the following items, viz.:—	August 1883	2,709 1 10	Voted moneys -	26·945 years' purchase.
Duke of Rutland - -	20 – –		August 1883	538 18 –	ditto - -	26·945 years' purchase.
Duke of Norfolk - -	60 – –		March 1883	1,616 14 –	ditto - -	26·945 years' purchase.

	£. s. d.	
County of Lincoln - - - - - - - -	20 – –	a year.
Ditto - Nottingham - - - - - - -	20 – –	,,
Ditto - Derby - - - - - - - -	20 – –	,,
Ditto - Hertford or Essex - - - - -	40 10 10	,,
TOTAL - - £.	100 10 10	

No information is preserved in the Duchy of Lancaster Office of the origin of these grants, but it is presumed that their origin might be traced by a search in ancient records.

The creation money formerly payable to the Duke of Rutland, amounting to 20 *l.* a year, was granted to Thomas Maners on his creation as Earl of Rutland by Letters Patent, dated the 18th of June, in the 17th year of Henry VIII. A copy of the Letters Patent is annexed.

The creation money formerly payable to the Duke of Norfolk consisted of the following sums, viz.:—

	£. s. d.	
As Earl of Surrey - - - - - - - -	20 – –	a year.
,, Duke of Norfolk - - - - - - - -	40 – –	,,
TOTAL - - £.	60 – –	

The creation money of 20 *l.* a year attached to the Earldom of Surrey was originally granted by Letters Patent, dated 28th June 1483. The creation money of 40 *l.* a year attached to the Dukedom of Norfolk was originally granted by Letters Patent, dated 1st February in the fifth year of Henry VIII. They were forfeited by attainder in 1546, restored by Act of Parliament in 1553, again forfeited by attainder in the 13th year of Elizabeth, and again restored by reversal of the attainder in 1603. Extracts from the grants certified by the Record Office are annexed.

EXTRACTS from the Grants of Creation Money to the Duke of Norfolk.

KING Richard the Third granted the Earldom of Surrey, with 20 *l.* per annum creation money for the said Earldom, unto Thomas Howard, son and heir of John, then Duke of Norfolk, and to the heirs male of his body lawfully begotten, to be paid yearly by the Sheriffs of the counties of Surrey and Sussex, out of the rents, issues, and profits arising within the said counties. — Earl of Surrey created 28th June 1483.

King Henry the Seventh confirmed the said Grant of King Richard the Third unto the said Earl Thomas, who enjoyed the said Earldom and creation money until the fifth year of Henry the Eighth, when he, being then created Duke of Norfolk, and had 40 *l.* per annum creation money for that dignity granted to him and the heirs male of his body lawfully begotten, to be paid out of the rents, issues, and profits arising within the counties of Norfolk and Suffolk, surrendered the said Earldom of Surrey during the life of Thomas, his son, in favour of such son, who enjoyed successively both the said titles and creation monies until the 38th year of Henry the Eighth, when both the said Earl Thomas, the son (being then also Duke of Norfolk, after the death of his said father), and Sir Henry Howard, Knight of the Garter, his son and heir, otherwise called Harry, Earl of Surrey, were attainted in Parliament. — 3rd Nov. 1491. 8 Henry 7. — 5 Henry 8. A.D. 1514. — A.D. 1546.

Thomas Howard, Knight, son of the said Sir Henry Howard, otherwise Harry, Earl of Surrey, was restored in blood by Act of Parliament, as to inherit the said Earldom of Surrey and Dukedom of Norfolk, and by virtue thereof enjoyed the aforesaid several creation monies from the said first year of Queen Mary until the 13th year of Queen Elizabeth, when both he and Philip, Earl of Arundel, his son and heir, were attainted, which attainder was afterwards reversed, first King James. — 1 Queen Mary. A.D. 1553. — 13 Elizabeth. A.D. 1590. — 1 James. A.D. 1603.

The said creation money of 20 *l.* per annum has been paid to the Duke of Norfolk for the time being, up to and including the payment due November, 1859, and application for the subsequent payments stood in abeyance in consequence of the death of the then Duke, which happened in November 1860. Application was made to the Paymaster General on the subject by letter from Messrs. Few & Co., dated 4th March, 1865.

Covent Garden, 9 April 1866.

IN the Great Roll (of the Pipe) of the twentieth year of the late King Henry the Eighth in Item Norfolk, and in the Account of Sir William Paston, Knight Sheriff, from the Feast of Saint Michael the Archangel in the said twentieth year, unto the same Feast of Saint Michael the Archangel, in the twenty-first year of the same King (amongst other things) is contained as follows :—

Norfolk.—The same Sheriff oweth 1,182 *l.* 1 *s.* 8¼ *d.*

Paid into the Treasury 106 *l.* 13 *s.* 4 *d.*, in two tallies, by the said Sheriff for the issues of his bailwick, and to Thomas, now Duke of Norfolk, son and heir male begotten of the body of Thomas, late Duke of Norfolk, who the King, on the first day of February, in his fifth year, by the name of the most illustrious Thomas, Earl of Surrey, his most dear cousin, and Earl Marshal of England, and Treasurer of England, erected, created, enobled, made and ordained as Duke of Norfolk. That the same Duke might be able more honorably to bear becomingly his noble estate according to the said name of Duke of Norfolk, the said King gave and granted for himself and his heirs to the aforesaid Duke of Norfolk and his heirs males issuing of his body, forty pounds rent yearly to be received from the farms, issues, profits, and commodities whatsoever of the King's counties of Norfolk and Suffolk, by the hands of the Sheriff of the same counties for the time being, at the terms of Easter and Saint Michael, by equal portions, viz., 40 *l.* for the terms of Easter in the 20th year of this King, and of Saint Michael, in the 21st year, by the King's Writ, which is amongst the common business of the year of this King of Michaelmas Term Roll, and Letters of Acquittance of the said Duke for receipt thereof.

Translated from the Latin copy, extracted from the Great Roll of the Pipe, by

Charles Devon.

Queen-square, Bloomsbury,
April 1865.

Gentlemen, Public Record Office, 14 April 1866.

In reply to your letter of 12th April, transmitting two extracts from Grants of Creation Money to the Duke of Norfolk, I am directed to state that the extracts (herewith returned) agree, with trifling corrections, with the originals.

I am, &c.

George Wilkin, Esq., (signed) *Charles Roberts*,
John H. Preston, Esq., Secretary.
Auditors of Sheriffs' Accounts.

Letters Patent, dated the 18th of June, in the 17th year of Henry VIII., creating Thomas Maners Earl of Rutland, and granting him Creation Money of 20 *l.* a year.

Henricus Octavus Dei gratia Angliæ et Franciæ Rex, Fidei defensor et Dominus Hiberniæ, Omnibus et singulis Archiepiscopis, Episcopis, Abbatibus, Prioribus, Ducibus, Marchionibus, Comitibus, Baronibus, Justiciariis, Vicecomitibus, Prepositis, Ballivis, Ministris, et omnibus aliis fidelibus suis ad quos presentes litteræ pervenerint, salutem. Sciatis quod Regalis nostræ dignitatis fastigium felicibus auspiciis nedum insignire sed augere confidimus, dum inter personas discretas et strenuas, honoris culmina dispensamus, credimus namque nostram coronam regiam tanto pluribus micare gemmis pretiosisque coruscare lapidibus quanto viris virtuosis presertim nobilibus consilio prepolentibus in partem solicitudinis Regiæ ad fasces honorum evocatis ad directionem boni publici roboratis. Considerantes itaque nobilitatem ac fidelitatem et præcipue nobis in sanguine propinquitatem probatissimi viri ac dilecti consanguinei nostri Thomæ Maners nostri prænobilis ordinis Garterii militis, domini Roos ac domini de Hamelak, de Trusbus, et de Baluero, quiquidam Thomas nullis usquam cedens laboribus aut expensis sese nobis obsequiosum semper exhibuit, volentesque proinde eundem Thomam condignis honoribus et regalibus præmiis ornare, ampliare, et sublimare, de gratiâ nostrâ speciali ac ex certâ scientiâ et mero motu nostris ipsum Thomam in comitem Rutland ereximus profecimus et creavimus, ac per presentes erigimus, proficimus, et creamus eidemque Thomæ nomen, statum, stilum, titulum, honorem, et dignitatem comitis Rutland, cum omnibus et singulis preeminenciis, honoribus, et cæteris quibuscumque hujusmodi statui comitis Rutland pertinentibus sive spectantibus, damus et concedimus per presentes. Necnon ipsum Thomam hujusmodi nomine, statu, stilo, titulo, honore, et dignitate per cincturam gladii insignimus, investimus, et realiter nobilitamus. Habendum et tenendum nomen, statum, stilum, titulum, honorem, et dignitatem comitis Rutland prædictum cum omnibus et singulis preeminenciis, honoribus, et cæteris quibuscumque hujusmodi statui comitis Rutland pertinentibus sive spectantibus, præfato Thomæ et hæredibus masculis de corpore suo exeuntibus imperpetuum. Et quia crescentes status celsitudine ex consequenti necessarie crescunt sumptus et onera grandiora, et ut idem Thomas melius, decentius, et honorificentius statum predictum comitis Rutland ac omnia ipsi Thomæ incumbencia manutenere et sustentare valeat, De uberiori gratiâ nostrâ dedimus et concessimus, ac per presentes damus et concedimus, pro nobis et heredibus nostris, prefato Thomæ et heredibus suis predictis viginti libras sterlingorum annuas, Habendum et percipiendum dictas viginti labras annuatim sibi et heredibus suis predictis imperpetuum de exitibus, proficuis, revencionibus, firmis, et finibus comitatuum nostrorum Rotelandiæ Northamptoniæ, Cantabrigiæ, et Huntingdoniæ, et eorum cujuslibet proveniencium, per manus vicecomitum eorundem comitatuum sive eorum alicujus pro tempore existencium *ad festa Sancti Michaelis Archangeli et Paschæ*, per equales porciones annuatim solvendas. Et hoc absque fine seu feodo inde ad opus nostrum in hanaperio Cancellariæ nostræ ac custodi sive clerico ejusdem hanaperii ad usum nostrum aliter solvendo, reddendo, aut faciendo. Eo quod expressa mencio de vero valore annus, aut de certitudine premissorum, sive eorum alicujus, aut de aliis donis sive concessionibus eidem Thomæ per nos ante hæc tempora factis, in presentibus minime facta existit, aliquo statuto, actu, ordinacione, provisione, sive restrictione inde in contrarium habitis, factis, ordinatis, sive provisis, aut aliquâ aliâ re, causâ, vel materiâ quâcumque in aliquo non obstante. Hiis Testibus, reverendissimis in Christo patribus Thoma, sacrosanctæ Romanæ ecclesiæ tituli Sanctæ Ceciliæ presbitero Cardinale, Eboracensi, Angliæ Primate, et Apostolicæ sedis eciam a latere legato, Cancellario Angliæ, et Willelmo Cantuarensi, totius Angliæ Primate et Apostolicæ sedis legato, Archiepiscopis, Thoma Norfolkiæ, Thesaurario Angliæ, et Carolo Suffolkiæ marescallo Angliæ, Ducibus; Carolo Wygornensi Camerario nostro; et Georgio Salopiæ, Senescallo hospicii nostri, Comitibus; Thoma West de la Warre, Milite, et Willelmo Sandys de Vyne, Milite, Baronibus; Thoma Boleyn, Thesaurario hospicii nostri, et Henrico Guldeford contrarotulatore ejusdem hospicii nostri, militibus. Datum per manum nostram apud Palacium nostrum de Bridewell decimo octavo die Junii, anno regni nostri decimo septimo.

Pexsall.

Per ipsum Regem et de datâ predictâ auctorite Parliamenti.

Dorso: Irrotulatur in memorandis Scaccarii de anno XVII^mo^. Regis Henrici Octavi, videlicet inter Recorda de termino Sancti Michaelis. Rot. Exparte Rememoratoris Thesauriæ.

I certify that this is a true copy,

(signed) *Edward Levien*,
23 June 1873. Department of MSS., British Museum.

BASIS of Computation for Persons desiring to Commute PENSIONS under the PENSIONS COMMUTATION ACT, 1871.

Age next Birthday.	Number of Years' Purchase.	Present Value of the Annuity of £. 100.	Age next Birthday.	Number of Years' Purchase.	Present Value of the Annuity of £. 100.
		£. s. d.			£. s. d.
21	15·00258	1,500 5 2	51	11·21356	1,121 7 1
22	14·96111	1,496 2 3	52	10·98145	1,098 2 11
23	14·92519	1,492 10 5	53	10·75133	1,075 2 8
24	14·88969	1,488 19 5	54	10·52560	1,052 11 3
25	14·85191	1,485 3 10	55	10·30351	1,030 7 –
26	14·80890	1,480 17 10	56	10·08363	1,008 7 3
27	14·74746	1,474 14 11	57	9·86670	986 13 5
28	14·67951	1,467 19 –	58	9·64896	964 17 11
29	14·60551	1,460 11 –	59	9·42649	942 13 –
30	14 52581	1,452 11 8	60	9·19800	919 16 –
31	14·44054	1,444 1 1	61	8·95666	895 13 4
32	14 35005	1,435 – 1	62	8·70132	870 2 8
33	14·25257	1,425 5 2	63	8·43435	843 8 8
34	14·14731	1,414 14 8	64	8·16571	816 11 5
35	14·03442	1,403 8 10	65	7·89583	789 11 8
36	13 91478	1,391 9 7	66	7·62437	762 8 9
37	13·79016	1,379 – 4	67	7·37082	737 1 8
38	13·66060	1,366 1 2	68	7·11881	711 17 8
39	13·52738	1,352 14 9	69	6·86850	686 17 –
40	13·38854	1,338 17 1	70	6·62170	662 3 5
41	13·24313	1,324 6 3	71	6·38068	638 1 4
42	13·08568	1,308 11 4	72	6·14448	614 8 11
43	12·92050	1,292 1 –	73	5·90561	590 11 3
44	12·74483	1,274 9 8	74	5·65540	565 10 10
45	12·55834	1,255 16 8	75	5·39538	539 10 9
46	12·36096	1,236 1 11	76	5·12566	512 11 4
47	12·14690	1,214 13 10	77	4·81532	481 10 8
48	11·92339	1,192 6 9	78	4·50565	450 11 3
49	11·69128	1,169 2 7	79	4·20762	420 15 3
50	11·45362	1,145 7 3	80	3 91477	391 9 6

MEMORANDUM on the proposed Commutation of the MARLBOROUGH and PENN PENSIONS, submitted to the Treasury, 9th June 1884, by *C. Bradlaugh*, Esq., M.P.

THE Committee on Pensions, appointed by resolution of the House of Commons of 8th December 1837, did distinguish between pensions where "real and meritorious services had been rendered" by the grantee, and pensions which had originated without such justification; and such Committee did recommend that some pensions should be abolished, that in some the term of the grant should be limited to a shorter period than that which was originally fixed, that others should be reduced in amount. That this recommendation was acted on by Parliament.

The Marlborough Pension.

That the original grantee, being then Earl of Marlborough, Lieutenant General and sworn Privy Councillor of William III., traitorously furnished to James II., in 1693, an account of the warlike preparations of William III., with particulars of the fleet and army, and how these were to be employed, well knowing that such information was communicated to the King of France.

That on the 4th May 1694 the Earl of Marlborough treacherously communicated to the French King, through James II., details of a secret expedition against the harbour of Brest; that in consequence of this communication Brest was secretly fortified and garrisoned by the French, and the English expedition was repulsed with great slaughter.

That subsequent to the above treasons, the Earl of Marlborough received large sums of money from the Court of France.

That in the reign of Queen Anne, the Duke of Marlborough, being then Captain General of the Forces, embezzled and applied to his own use two sums of 282,366 *l.* 9 *s.* 7 *d.*, and 177,695 *l.* 17 *s.* respectively received by him for the purpose of the British and

foreign forces under his command, and further that during the same period he received by way of bribe from the bread contractor large sums of money each year, averaging annually about 6,500 *l.*, and amounting altogether to more than 60,000 *l.*

The evidence for the above consists in main part of the written letters of Marlborough, of memoranda in writing by James the Second, and of the Journals of the House of Commons.

The Penn Pension.

That the proprietary right of the Penn family (at the time of the Declaration of Independence) in the State of Pennsylvania, under Letters Patent of Charles II., were on the 27th November 1779 fixed at 130,000 *l.*, which sum was duly paid to the heirs of W. Penn, by instalments of 15,000 *l.* per annum, with interest.

That Colonel W. Stuart is not the heir or nearest descendant in blood of William Penn.

The evidence for the above can be obtained from the official records of the State of Pennsylvania, and the genealogical table of the Penn family.

Appendix, No. 2.

PAPERS handed in by Sir *Reginald Welby*, C.B.

CORRESPONDENCE relating to the continuance of the COMPENSATION ALLOWANCE of 630 *l.* 14 *s.* 2 *d.* a Year in lieu of POST GROATS received on TIN coined in the County of *Cornwall* after the 5th of April 1841.

— No. 1. —

LETTER from the Duchy of Cornwall Commissioners, dated the 5th of April 1841, 7383—41.

Duchy of Cornwall, Somerset-place,
5 April 1841.

Sir,

I HAVE the honour to transmit herewith a memorial to the Special Commissioners for managing the affairs of the Duchy of Cornwall, dated 15th May 1840, and a letter dated 27th ultimo from Mr. T. S. Tucker, Executor of Benjamin Tucker, Esq., deceased, late Lessee of the Post Groat Duty in Cornwall, which was abolished by an Act of Parliament made in the 1st and 2nd of her present Majesty, cap. 120.

Upon reference to the Treasury Minute, dated 15th February 1839, by which compensation is awarded to the Duchy for the loss sustained by the abolition of the Tin Coinage Duties, it will be perceived that the compensation awarded for the loss of the Post Groat Duty, 630 *l.* 14 *s.* 2 *d.* per annum, would cease on the 5th instant.

Under the lease of these Duties from the Duchy, which expires on the 6th instant, the Lessee was entitled to the Post Groats on all Tin coined at the Christmas and Lady Day Coinages; the compensation awarded by their abolition commenced by a quarterly payment on the—

	£.	s.	d.
5 Jan. 1839	157	13	6½
6 April „	157	13	6½
5 July „	157	13	6½
11 October „	157	13	6½
5 Jan. 1840	157	13	6½
6 April „	157	13	6½
5 July „	157	13	6½
11 October „	157	13	6½
5 Jan. 1841	157	13	6½
6 April „	157	13	6½
£.	1,576	15	5

	£.	s.	d.
For the Christmas Coinage 1838-39 -	315	7	1
For the Lady Day Coinage 1839 -	315	7	1
For the Christmas Coinage 1839-40 -	315	7	1
For the Lady Day Coinage 1840 -	315	7	1
For the Christmas Coinage 1840-41 -	315	7	1
Lady-Day Coinage 1841 - -	315	7	1
The Lessee entitled to - - - -	1,892	2	6
The Lessee will have received under the Treasury Minute only - -	1,576	15	5
Making a difference of - - £.	315	7	1

I am directed by the Commissioners of Woods and Forests to request the favour of your moving the Lords Commissioners of Her Majesty's Treasury to take this subject into consideration, and afford such relief to Mr. Tucker as the justice of the case warrants by continuing to pay for two further quarters the compensation allowed by the loss sustained by the abolition of the Post Groat Duty.

I have, &c.
(signed) *Thomas Abbot.*

C. Trevelyan, Esq.
&c. &c. &c.

Enclosure 1, in No. 1.

LETTER from Mr. *J. S. Tucker* to the Duchy of *Cornwall.*

POST GROATS.

Sir, 5, Pump-court, 29 March 1841.

I HAVE the honour to inform you that, on the 18th instant, I, at the suggestion of the Council for regulating the Duchy of Cornwall, addressed the Treasury respecting the inaccuracy in the sum paid as compensation for the abolition of this duty, and that by a letter in reply, dated the 24th instant, the Lords Commissioners of the Treasury have informed me that my application should be to the Council for regulating the affairs of the Duchy of Cornwall.

I have therefore to request that you will do me the favour of laying this information before the Council, together with my renewal of the application which I have already submitted, and which I humbly conceive I can rightly make to the Council alone, as it is with the Council as representing the Duke of Cornwall, and not with the Board of Treasury, that my relation as lessee existed, and as it was the officers of the Duchy, and not I, who negotiated the arrangement in which they consented that my lease under the Duchy should cease.

I have, &c.
(signed) *J. S. Tucker.*

Thomas Abbot, Esq.,
&c. &c. &c.
Duchy of Cornwall.

Enclosure 2, in No. 1.

MEMORIAL from Mr. *J. S. Tucker* to the Duchy of *Cornwall*, dated the 15th of May 1840.

To the Special Commissioners for managing the affairs of the Duchy of Cornwall, the memorial of Jedidiah Stephens Tucker, sole acting executor of the last will and testament of Benjamin Tucker, Esq., humbly sheweth:—

That your memorialist, as such executor, was entitled, for the benefit of the devisees in that will mentioned, to all the interest and profit arising from an unexpired term of a lease of the Post Groat Tin Coinage Duty, which was demised to the said Benjamin Tucker, on the 31st of May 1813, for the term of 17 years and three-quarters from the 5th of July 1823.

That by arrangements entered into between the officers of the Duchy of Cornwall and the Board of Treasury, to facilitate the passing the Act of Parliament abolishing the coinage duties on tin, the Post Groat payments were, by the consent and act of the said officers, relinquished; whereby they caused the said lease to be thereafter entirely profitless. That your memorialist therefore became entitled to a full indemnity for the loss he should incur; and that certain payments on account of the said indemnity have been made to him by the said officers.

But your memorialist most humbly submits that if such payments shall cease at the termination of the lease, the sum which he will then have received will be less than what was due by, at least, 315 *l.* 7 *s.* 4 *d.*, because those payments being made quarterly, the commencement of them was not, as it should have been, at the end of the first quarter immediately after the last Post Groat payment, but was delayed for half a year.

Your memorialist further submits that an average of the annual value of the Post Groats was calculated, and is adopted by the said officers of the Duchy; and that it clearly shows that, had not the coinage duties ceased, between the last Post Groats actually paid and the termination of the lease your memorialist would, according to that average, have received 1,892 *l.* 2 *s.* 6 *d.*; that owing to the period at which the quarterly payments of compensation commenced, at the expiration of the lease they will amount to only 1,576 *l.* 15 *s.* 2 *d.*; whereas, if the two preceding quarters had been included, they would have completed the total to 1,892 *l.* 2 *s.* 6 *d.*, viz., the exact sum which by the average was shown to be due.

Your memorialist thinks it to be his duty to at once humbly invite your attention to this error in the payments, and he prays such relief as may be just and fair.

And your memorialist, as in duty bound, will for ever pray.

5, Pump-court, Temple,
15 May 1840.

(signed) *J. S. Tucker.*

— No. 2. —

TREASURY MINUTE, dated the 7th of June 1841.—(9178—41.)

Let a charge be made on the Consolidated Fund of the sum of 315 *l.* 7 *s.* 1 *d.*, and direct Mr. Sargent to pay over that sum to the Receiver General of the Duchy of Cornwall.

Acquaint the Council for the Duchy, and state that the Receiver General may, any time after the 5th July next, receive the said sum to enable him to pay to the executor of the late Mr. Tucker the sum due on the lease of Post Groat Duties.

— No. 3. —

LETTER from the Duchy of *Cornwall*, of the 8th of July 1841.—(14,554—41.)

POST GROAT DUTY.

Duchy of Cornwall, Somerset House,
8 July 1841.

Sir,

I HAVE submitted to the Council for the Duchy of Cornwall your letter of the 14th ultimo, informing me that the Lords of the Treasury had authorised the issue of 315 *l.* 7 *s.* 1 *d.* to the Receiver General of the Duchy in order to pay the executor of the late Mr. Tucker, lessee of the Post Groat Duty, for the half-year's compensation to the conclusion of the lease.

The Council took into consideration the Minute of your Board of the 15th February 1839, authorising the issue out of the Consolidated Fund of compensation for the coinage duties, abolished by the Act of 1st and 2nd of Her present Majesty, c. 120, and of the payment in lieu of the Post Groat Duty in Cornwall, until the expiration of the subsisting lease, and I am commanded to acquaint you that, although it appears both His late Majesty and Her present Majesty consented to abandon their claim to this duty, the Council consider it necessary to intimate to the Lords of the Treasury their opinion that this arrangement cannot prejudice the rights of the future Dukes of Cornwall to compensation in lieu of the Post Groat Duty.

I have, &c.
(signed) *Thomas Abbot.*

C. E. Trevelyan, Esq.,
&c. &c. &c.

Appendix, No. 3.

PAPER handed in by Sir *Reginald Welby*, K.C.B.

DETAILED LIST of PERPETUAL PENSIONS and ALLOWANCES in existence on 1st January 1881 (other than those included in the Return of HEREDITARY PENSIONS already laid before the Committee).

PERPETUAL PENSIONS, &c., chargeable on the Consolidated Fund on 1st January 1881.

GRANTEES.	Amount per Annum.	AUTHORITIES.	Date of Redemption.	Redemption Money.		Terms of Redemption.
				Amount.	How provided.	
	£. s. d.			£. s. d.		
The Lord Mayor and Citizens of Dublin - - - -	714 11 8	Act 41 Geo. 3, c. 32 - -	—	—	—	—
The Under Librarian at Marsh's Library, St. Patrick's, Dublin - - - - - - - - - - -	26 2 8	Act 41 Geo. 3, c. 32 - - - - - - - -	—	—	—	—
Marquis of Downshire, for Rent of Ground near Carrickfergus Castle - - - - - - - - - -	13 18 4	Act 41 Geo. 3, c. 32 - - - - - - - - -	—	—	—	—
The University of Aberdeen - - - - - - -	320 - -	Act 6 & 7 Will. 4, c. 110 (Compensation under the Copyright Act).	—	—	—	—
Ditto - - St. Andrew's - - - - - - -	630 - -	Ditto - - - ditto - - - ditto - - -	—	—	—	—
Ditto - - Edinburgh - - - - - - -	575 - -	Ditto - - - ditto - - - ditto - - -	—	—	—	—
Ditto - - Glasgow - - - - - - -	707 - -	Ditto - - - ditto - - - ditto - - -	—	—	—	—
King's Inn Library, Dublin - - - - - - -	433 6 8	Ditto - - - ditto - - - ditto - - -	—	—	—	—
Sion College - - - - - - - - - -	363 15 2	Ditto - - - ditto - - - ditto - - -	—	—	—	—
Duchy of Lancaster; Annuity in lieu of Prisage and Butlerage on Wines - - - - - - - -	803 - -	Act 2 & 3 Will. 4, c. 84 - - - - - - -	—	—	—	—
Duchy of Cornwall; Compensation for Loss of Duties on the Coinage of Tin - - - - - - - - -	16,216 15 -	Act 1 & 2 Vict. c. 120 (*See* Parliamentary Paper, No. 204, of 1839).	—	—	—	—

PERPETUAL PENSIONS, &c., chargeable on the CONSOLIDATED FUND on 1st January 1881, having been transferred from the LAND REVENUE of the CROWN under the Act 29 & 30 Vict. cap. 62.

GRANTEES.	County, &c., on which First Charged.	Amount per Annum.	AUTHORITIES.	Date of Redemption.	Redemption Money. Amount.	Redemption Money. How Provided.	Terms of Redemption.
		£. s. d.			£. s. d.		
Cambridge, Mayor and Burgesses	Cambridge	2 5 10	Pension Deed, 30 Car. II.	March 1882	68 15	Voted moneys	30 years' purchase.
„ Master and Fellows of Christ's College	Monmouth	6 1 8	Paid since reign of Queen Elizabeth	March „	182 10 –	ditto	ditto.
„ Master and Fellows of Christ's College	Devon	1 15 2	Pension Deed, 30 Car. II.	Feb. „	52 15 –	ditto	ditto.
Lichfield, Bailiffs of Rents Resolute	Stafford	2 19 2	ditto ditto	March „	88 15 –	ditto	ditto.
Oxford, Balliol College, Master and Fellows of	Kent	1 1 8	ditto ditto	March „	32 10 –	ditto	ditto.
„ Brasenose, Principal and Scholars of	Oxford	– 10 1	ditto ditto	Jan. „	15 2 6	ditto	ditto.
„ Magdalen College, Master and Fellows of	Essex	5 10 4	ditto ditto	March „	165 10 –	ditto	ditto.
Winchester, Keeper of St. Swithin's Gate	Southampton	2 12 2	ditto ditto	April „	78 5 –	ditto	ditto.
Worcester, Rent Resolute payable to the Chamberlain of	Worcester	– 11 8	ditto ditto	Feb. „	17 10 –	ditto	ditto.
Lutheran Chapel formerly in the Savoy, Minister of	Middlesex	38 – –	Treasury Warrant, 26th November, 1740	March 1883	380 – –	ditto	10 years' purchase.
Abingdon, Curate of St. Nicholas	Northampton	4 17 8	Pension Deed, 30 Car. II.	—	—	—	—
Aldborough Hatch, Minister of Chapel	Essex	20 – –	Chargeable upon property at Aldborough Hatch	—	—	—	—
„ „ Clerk of	ditto	3 – –	Chargeable upon property at Aldborough Hatch	—	—	—	—
Alnwick, Curate of	Northumberland	11 2 10	Pension Deed, 30 Car. II.	—	—	—	—
Ashford, Vicar of	Devon	4 16 –	ditto ditto	—	—	—	—
Astley, Curate of	Warwick	9 3 6	ditto ditto	—	—	—	—
Aston, Curate of	Chester	4 10 4	ditto ditto	—	—	—	—
Aughton, Vicar of	York	8 2 4	ditto ditto	—	—	—	—
Babraham, Vicar of	Essex	1 15 6	ditto ditto	—	—	—	—
Banbury, Assistant Preacher in	Oxford	5 17 4	ditto ditto	—	—	—	—
Bangor, the Bishop of	North Wales	3 12 6	Paid since reign of Henry VIII.	—	—	—	—
Barking, the Vicar of	Essex	9 3 –	Pension Deed, 30 Car. II.	—	—	—	—
Barrowby, Rector of	Lincoln	2 6 10	ditto ditto	—	—	—	—
Basildon, Vicar of	Berks	3 10 9	ditto ditto	—	—	—	—
Bathampton and Ford, Vicar of	Somerset	3 13 8	ditto ditto	—	—	—	—
Battlefield (with Uffington), Curate of	Salop	2 12 2	ditto ditto	—	—	—	—
Beckermet, Curate of St. Bridget's	Cumberland	1 18 –	ditto ditto	—	—	—	—
„ Curate of St. John's	ditto	1 18 –	ditto ditto	—	—	—	—
Bedford, Vicar of St. Paul's	Beds	9 4 –	ditto ditto	—	—	—	—
Berwick-on-Tweed, Assistant Curate of	Northumberland	4 14 9	ditto ditto	—	—	—	—
Bessingby, Curate of the Chapel	York	4 16 5	ditto ditto	—	—	—	—
Beverley, Curate of St. John's in	ditto	19 19 8	ditto ditto	—	—	—	—
„ Assistant Curate of St. John's in	ditto	7 7 1	ditto ditto	—	—	—	—
„ Additional Assistant Curate of St. John's in	ditto	7 7 1	ditto ditto	—	—	—	—
„ Vicar of St. Mary's in	ditto	2 18 8	ditto ditto	—	—	—	—
Carried forward	£.	158 8 1					

PERPETUAL PENSIONS, &c., chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act 29 & 30 Vict. cap. 62—*continued.*

GRANTEES.	County, &c., on which First Charged.	Amount per Annum.	AUTHORITIES.	Date of Redemption.	Redemption Money. Amount.	Redemption Money. How Provided.	Terms of Redemption.
		£. s. d.					
Brought forward - - -		158 8 1					
Bewdley, Curate of - - - - - - - - -	Worcester - -	7 6 –	Pension Deed 30, Car. II. - - - - - - -	—	—	—	—
Bicester, Vicar of - - - - - - - - -	Oxford - - -	1 4 6	- - ditto - - ditto - - - - - - -	—	—	—	—
Bilbrough, Vicar of - - - - - - - - -	York - - -	4 4 –	- - ditto - - ditto - - - - - - -	—	—	—	—
Blackwell, Vicar of - - - - - - - - -	Notts - - -	1 13 4	- - ditto - - ditto - - - - - - -	—	—	—	—
Bobbington, Curate of - - - - - - - -	Salop - - -	6 1 7	- - ditto - - ditto - - - - - - -	—	—	—	—
Bolton-on-Swale (Parish of Clatterick), Curate of -	York - - -	1 11 10	- - ditto - - ditto - - - - - - -	—	—	—	—
Boxley, Vicar of - - - - - - - - - -	Kent - - -	7 7 –	- - ditto - - ditto - - - - - - -	—	—	—	—
Brackley and Halsey, Rector of - - - - - -	Northampton - -	7 2 –	- - ditto - - ditto - - - - - - -	—	—	—	—
Bradpoole, Vicar of - - - - - - - - -	Dorset - - -	2 5 10	- - ditto - - ditto - - - - - - -	—	—	—	—
Breedon, Curate of - - - - - - - - -	Leicester - -	6 2 9	- - ditto - - ditto - - - - - - -	—	—	—	—
Brenckbourne, Curate and Chaplain - - - - -	Northumberland -	6 1 9	- - ditto - - ditto - - - - - - -	—	—	—	—
Bretforton, Vicar of - - - - - - - - -	Worcester - -	2 2 2	- - ditto - - ditto - - - - - - -	—	—	—	—
Bridgnorth, Preacher in - - - - - - - -	Salop - - -	4 9 1	- - ditto - - ditto - - - - - - -	—	—	—	—
Brill, Curate of - - - - - - - - - -	Bucks - - -	5 10 3	- - ditto - - ditto - - - - - - -	—	—	—	—
Carisbrooke, Vicar of - - - - - - - - -	Southampton - -	3 – –	Treasury Warrant, 28th October 1841 - - -	—	—	—	—
,, Vicar of the Castle of - - - - - -	- ditto - - -	6 13 4	- - ditto - - - ditto - - - - - -	—	—	—	—
Castlechurch, Curate of - - - - - - - - -	Stafford - - -	5 14 3	Pension Deed 30, Car. II. - - - - - - -	—	—	—	—
Chester, Preacher in St. John's - - - - - -	Chester - - -	19 18 –	- - ditto - - ditto - - - - - - -	—	—	—	—
Chilham, Vicar of - - - - - - - - -	Middlesex - -	2 9 6	- - ditto - - ditto - - - - - - -	—	—	—	—
Church Broughton, Vicar of - - - - - - -	Derby - - -	9 5 10	- - ditto - - ditto - - - - - - -	—	—	—	—
Church Honeyborne, Curate of - - - - - -	Worcester - -	4 9 4	- - ditto - - ditto - - - - - - -	—	—	—	—
,, ,, Chaplain of - - - - - -	- ditto - - -	2 9 –	- - ditto - - ditto - - - - - - -	—	—	—	—
Claverley, Curate of - - - - - - - - -	Salop - - -	7 5 6	- - ditto - - ditto - - - - - - -	—	—	—	—
Cleator, Curate of St. Leonard's in - - - - -	Cumberland - -	1 18 –	- - ditto - - ditto - - - - - - -	—	—	—	—
Clementhorpe, Vicar of - - - - - - - - -	York - - -	3 11 4	- - ditto - - ditto - - - - - - -	—	—	—	—
Codicote, Vicar of - - - - - - - - -	Herts - - -	1 3 –	- - ditto - - ditto - - - - - - -	—	—	—	—
Codsall, Curate of - - - - - - - - -	Stafford - - -	3 8 6	- - ditto - - ditto - - - - - - -	—	—	—	—
Coppenhall, Curate of - - - - - - - - -	- ditto - - -	2 16 4	- - ditto - - ditto - - - - - - -	—	—	—	—
Copston, Curate of - - - - - - - - -	Warwick - - -	1 14 2	- - ditto - - ditto - - - - - - -	—	—	—	—
Cottingham, Assistant Curate of - - - - - -	York - - -	4 12 6	- - ditto - - ditto - - - - - - -	—	—	—	—
Cotton, Representatives of Sir J. Hynde - - -	Sussex - - -	3 13 10	Act 3 & 4 Will. 4, c. 86, Treasury Warrant, 12th September 1833 and 14th February 1834.	—	—	—	—
Dacre, Vicar of - - - - - - - - - -	Cumberland - -	7 7 1	Pension Deed 30, Car. II. - - - - - - -	—	—	—	—
Darlington, Assistant Curate of - - - - - -	Durham - - -	7 6 11	- - ditto - - ditto - - - - - - -	—	—	—	—
Darlington, Vicar of - - - - - - - - -	- ditto - - -	14 18 8	- - ditto - - ditto - - - - - - -	—	—	—	—
Darton, Vicar of - - - - - - - - - -	York - - -	11 12 4	- - ditto - - ditto - - - - - - -	—	—	—	—
Derby, Archdeacon of - - - - - - - - -	Derby - - -	1 14 11	- - ditto - - ditto - - - - - - -	—	—	—	—
Disworth, Vicar of - - - - - - - - -	Leicester - -	1 11 6	- - ditto - - ditto - - - - - - -	—	—	—	—
Ditton (Long), Vicar of - - - - - - - - -	Surrey - - -	6 6 4	- - ditto - - ditto - - - - - - -	—	—	—	—
Drax, Curate of - - - - - - - - - -	York - - -	6 1 9	- - ditto - - ditto - - - - - - -	—	—	—	—
Dronefield, Curate of - - - - - - - - -	Derby - - -	4 10 2	- - ditto - - ditto - - - - - - -	—	—	—	—
Durham, Curate of South Bayley - - - - - -	Durham - - -	1 13 4	- - ditto - - ditto - - - - - - -	—	—	—	—
,, Master of the Singing Boys - - - - -	- ditto - - -	7 7 1	- - ditto - - ditto - - - - - - -	—	—	—	—

| | | |

PERPETUAL PENSIONS, &c., Chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act 29 & 30 Vict. cap. 62—*continued.*

GRANTEES.	County, &c., on which First Charged.	Amount Per Annum.	AUTHORITIES.	Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
		£. s. d.					
Brought forward - - -		756 18 4					
Llandaff, The Bishop of - - - - - - -	South Wales - -	1 10 2	Paid since reign of Henry VIII. - - - - -	—	—	—	—
Loders, Vicar of - - - - - - - -	Dorset - - -	1 7 10	Pension Deed, 30 Car. II. - - - - - -	—	—	—	—
London, St. Botolph without Aldersgate, Rector of -	Middlesex - -	— 19 —	- - ditto - ditto - - - - - -	—	—	—	—
„ St. Martin-in-the-Fields, Vicar of - - -	- ditto - -	4 5 —	- - ditto - ditto - - - - - -	—	—	—	—
„ St. Sepulchre without Newgate, Vicar of -	City of London -	5 2 1	- - ditto - ditto - - - - - -	—	—	—	—
Lowthorpe, Vicar of - - - - - - - -	York - - -	9 4 10	- - ditto - ditto - - - - - -	—	—	—	—
Lucker, Curate of - - - - - - - -	Northumberland -	6 8 1	- - ditto - ditto - - - - - -	—	—	—	—
Lydden, Vicar of - - - - - - - -	Kent - - -	3 3 —	- - ditto - ditto - - - - - -	—	—	—	—
Lyng, Vicar of - - - - - - - -	Somerset - -	3 11 —	- - ditto - ditto - - - - - -	—	—	—	—
Macclesfield, Vicar of - - - - - - -	Cheshire - -	4 16 8	- - ditto - ditto - - - - - -	—	—	—	—
Madehurst, Vicar of - - - - - - -	Sussex - - -	2 5 10	- - ditto - ditto - - - - - -	—	—	—	—
Madingley, Vicar of - - - - - - -	Cambridge - -	2 8 —	- - ditto - ditto - - - - - -	—	—	—	—
Maidenhead, Vicar of - - - - - - -	Berks - - -	4 4 —	- - ditto - ditto - - - - - -	—	—	—	—
Malverne, Curate of - - - - - - -	Worcester - -	7 6 —	- - ditto - ditto - - - - - -	—	—	—	—
Manewden, Vicar of - - - - - - -	Essex - - -	5 10 —	- - ditto - ditto - - - - - -	—	—	—	—
Medomsley, Curate of - - - - - - -	Durham - - -	6 1 9	- - ditto - ditto - - - - - -	—	—	—	—
Melton, Vicar of - - - - - - - -	York - - -	2 6 —	- - ditto - ditto - - - - - -	—	—	—	—
Milverton, Curate of - - - - - - -	Warwick - -	4 17 8	- - ditto - ditto - - - - - -	—	—	—	—
Minsterworth, Curate of - - - - - -	Gloucester - -	9 5 —	- - ditto - ditto - - - - - -	—	—	—	—
Monkwearmouth, Curate of - - - - -	Durham - - -	4 16 5	- - ditto - ditto - - - - - -	—	—	—	—
Monmouth, Minister within the Parish - - -	Monmouth - -	4 12 6		—	—	—	—
„ Minister above the Bridge - - -	- ditto - -	4 12 6	Treasury Warrant, 21st June 1569 - - - -	—	—	—	—
„ Vicar of - - - - - - - -	- ditto - -	12 8 4		—	—	—	—
Moseley, Curate of - - - - - - - -	Worcester - -	4 2 10	Pension Deed, 30 Car. II. - - - - - -	—	—	—	—
Narburgh, Vicar of - - - - - - -	Norfolk - - -	1 2 8	- - ditto - ditto - - - - - -	—	—	—	—
Narford, Vicar of - - - - - - - -	- ditto - -	1 9 4	- - ditto - ditto - - - - - -	—	—	—	—
Newcastle-on-Tyne, Curate of All Saints - - -	Northumberland -	4 6 11	- - ditto - ditto - - - - - -	—	—	—	—
„ Curate of St. John's - - -	- ditto - - -	4 — 10	- - ditto - ditto - - - - - -	—	—	—	—
„ Curate of St. Andrew's - - -	- ditto - - -	4 15 3	- - ditto - ditto - - - - - -	—	—	—	—
„ Curate of St. Nicholas - - -	- ditto - - -	6 5 —	- - ditto - ditto - - - - - -	—	—	—	—
Newland, Curate of - - - - - - - -	Worcester - -	4 16 —	- - ditto - ditto - - - - - -	—	—	—	—
Newport Salop, Vicar of - - - - - - -	Salop - - -	9 4 2	- - ditto - ditto - - - - - -	—	—	—	—
North Ferriby, Vicar of - - - - - - -	York - - -	12 8 2	- - ditto - ditto - - - - - -	—	—	—	—
Northampton, Curate of All Saints - - - -	Northampton - -	9 6 4	- - ditto - ditto - - - - - -	—	—	—	—
Northumberland, Archdeacon of - - - - -	Northumberland -	3 1 2	- - ditto - ditto - - - - - -	—	—	—	—
Norton, St. Philip, Vicar of - - - - - -	Somerset - -	3 11 —	- - ditto - ditto - - - - - -	—	—	—	—
Oakewood, Chaplain of - - - - - - -	Surrey - - -	2 17 8	- - ditto - ditto - - - - - -	—	—	—	—
Overton, Vicar of - - - - - - - -	York - - -	2 18 8	- - ditto - ditto - - - - - -	—	—	—	—
Penkridge, Vicar of - - - - - - - -	Stafford - - -	17 10 8	- - ditto - ditto - - - - - -	—	—	—	—
Perford, Vicar of - - - - - - - -	Surrey - - -	5 10 4	- - ditto - ditto - - - - - -	—	—	—	—
Peterborough, The Bishop of - - - - - -	Northampton - -	6 6 5	- - ditto - ditto - - - - - -	—	—	—	—
Pilling, Curate of - - - - - - - -	Lancaster - -	1 13 4	- - ditto - ditto - - - - - -	—	—	—	—
Pinhoe, Vicar of - - - - - - - -	Devon - - -	— 13 2	- - ditto - ditto - - - - - -	—	—	—	—
Pott (Shrigley), Assistant in - - - - - -	Cheshire - - -	4 — 6	- - ditto - ditto - - - - - -	—	—	—	—
Preston near Wingham, Vicar of - - - - - -	Kent - - -	2 12 —	- - ditto - ditto - - - - - -	—	—	—	—

| | | |

PERPETUAL PENSIONS, &c., Chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act 29 & 30 Vict. cap. 62—*continued.*

GRANTEES.	County, &c., on which first Charged.	Amount per Annum.	AUTHORITIES.	Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
		£. s. d.			£. s. d.		
Brought forward - - -		1,372 2 6					
York, Archdeacon of - - - - - - - -	Richmond - -	- 14 2	Pension Deed, 30 Car. II. - - - - - -	—	—	—	—
„ Archdeacon of - - - - - - - -	York - - -	1 16 6	- - ditto - - ditto - - - - - -	—	—	—	—
„ Archdeacon of, the East Riding - - -	ditto - - -	2 12 4	- - ditto - - ditto - - - - - -	—	—	—	—
„ St. Nicholas, alias Trinity, without Micklegate Bar, Vicar of.	ditto - - -	4 16 5	- - ditto - - ditto - - - - - -	—	—	—	—
„ St. Olave's, Marygate, Vicar of - - -	ditto - - -	2 18 8	- - ditto - - ditto - - - - - -	—	—	—	—
	£.	1,385 - 7	- - - - - - - - -	Sept. 1882	45,475 2 6	By creation of a ten years' annuity of 5,428*l.* 18*s.* 8*d.* under Act 45 & 46 Vict. c. 72.	Transfer to the Ecclesiastical Commissioners of Stock, which will yield dividends equivalent to the amount of the charges redeemed.
Acaster Selby, Master of the School of - - -	York - - -	7 7 1	Pension Deed, 30 Car. II. - - - - - -	—	—	—	—
Alnwick, Master of the School at - - - -	Northumberland -	3 12 11	- - ditto - - ditto - - - - - -	—	—	—	—
Appleby, Master of the School of - - - -	Westmoreland -	5 - 3	- - ditto - - ditto - - - - - -	—	—	—	—
Banbury, Twelve Poor Persons - - - - -	Oxford - - -	9 13 11	- - ditto - - ditto - - - - - -	—	—	—	—
Bath, Master of the Hospital of St. John - - -	Somerset - -	10 11 7	- - ditto - - ditto - - - - - -	—	—	—	—
Bawtry, Master of the Hospital of St. Mary Magdalen.	York - - -	4 16 5	- - ditto - - ditto - - - - - -	—	—	—	—
Bedale, Master of the Grammar School - - -	Richmond - -	6 18 11	- - ditto - - ditto - - - - - -	—	—	—	—
Blisworth, Master of School of - - - - -	Northampton - -	10 5 4	- - ditto - - ditto - - - - - -	—	—	—	—
Bosbury, Master of the School - - - - -	Hereford - -	7 10 8	- - ditto - - ditto - - - - - -	—	—	—	—
Bridgnorth, Master of the School - - - -	Salop - - -	7 4 6	- - ditto - - ditto - - - - - -	—	—	—	—
Bromsgrove, Master of the School - - - -	Worcester - -	6 7 6	- - ditto - - ditto - - - - - -	—	—	—	—
Bromyard, Master of the School - - - - -	Hereford - -	15 12 11	- - ditto - - ditto - - - - - -	—	—	—	—
Brough or Burgh, Master of the School - - -	Westmoreland -	6 18 11	- - ditto - - ditto - - - - - -	—	—	—	—
Buckingham, Master of the Grammar School - -	Bucks - - -	9 10 6	- - ditto - - ditto - - - - - -	—	—	—	—
Chelmsford, the Poor of - - - - - - -	Essex - - -	3 - 4	- - ditto - - ditto - - - - - -	—	—	—	—
Chester, Mayor and Aldermen for St. John's Hospital.	Chester - - -	4 1 9	- - ditto - - ditto - - - - - -	—	—	—	—
Chipping Norton, Master of the School - - -	Oxford - - -	5 9 4	- - ditto - - ditto - - - - - -	—	—	—	—
Cirencester, Master of the Grammar School - -	Gloucester - -	18 9 2	- - ditto - - ditto - - - - - -	—	—	—	—
Colchester, Master of Magdalen Hospital - - -	Essex - - -	6 1 4	- - ditto - - ditto - - - - - -	—	—	—	—
Cottenham, Minister and Churchwardens - - -	Cambridge - -	15 - -	Chargeable upon premises in New Round Court, Vine-street, &c.	—	—	—	—
Durham, Master of Grammar School - - - -	Durham - - -	7 7 1	Pension Deed, 30 Car. II. - - - - - -	—	—	—	—
„ Poor of the City of - - - - -	ditto - - -	12 11 4	- - ditto - - ditto - - - - - -	—	—	—	—

Egham, Churchwardens of	Surrey	8 8 –	Act 22 Geo. 3, c. 9	—	—	—	—
Evesham, Master of the School of	Worcester	9 4 10	Pension Deed, 30 Car. II.	—	—	—	—
Fordringhay, Master of the Grammar School in	Northampton	18 16 4	ditto	—	—	—	—
Gainsborough, for Four Poor Persons at	Lincoln	5 17 –	ditto	—	—	—	—
Gloucester, Master of Magdalene Hospital, near	Gloucester	12 4 2	ditto	—	—	—	—
Halstead, the Poor of	Essex	– 16 7	ditto	—	—	—	—
Harbledowne, Master and Brotherhood of St. John's Hospital.	Kent	3 1 6	ditto	—	—	—	—
„ Master and Brotherhood of St. Nicholas Hospital.	ditto	3 1 6	ditto	—	—	—	—
„ Master and Brotherhood of St. Nicholas Hospital.	ditto	– 5 10	ditto	—	—	—	—
Headingham Sibil, the Poor of	Essex	– 14 4	ditto	—	—	—	—
Hull, Master of Grammar School	York	12 4 –	ditto	—	—	—	—
Kendal, Master of the Grammar School for his Salary, issuing out of the Rectory of Burton.	Westmoreland	8 11 9	ditto	—	—	—	—
„ Master of the Grammar School, for his Stipend	ditto	9 5 4	ditto	—	—	—	—
Kinnersley, Master of the School	Hereford	5 10 10	ditto	—	—	—	—
Lichfield, Master of the School of	Stafford	5 19 7	ditto	—	—	—	—
„ Usher of the School of	ditto	5 1 9	ditto	—	—	—	—
London, Poor Prisoners in Newgate	London	2 13 4	ditto	—	—	—	—
„ St. Edmund, Lombard-street, Churchwardens of.	Northampton	1 13 –	ditto	—	—	—	—
„ St. Margaret, Lothbury, Churchwardens of	London	3 5 8	ditto	—	—	—	—
„ St. Michael, Cornhill, Churchwardens of	ditto	10 3 8	Act 3 & 4 Will. IV. c. 86. Treasury Warrants, 12th September 1833 and 14th February 1834.	—	—	—	—
„ St. John Baptist, Churchwardens of	ditto	5 18 2					
„ St. Magnus, Churchwardens of	ditto	18 8 6					
„ St. Botolph, Aldersgate	ditto	5 9 –					
„ Christ's Hospital	ditto	356 16 4					
„ St. Martin's, Orgar, Churchwardens of	ditto	2 10 –	Pension Deed, 30 Car. II.	—	—	—	—
„ St. Sepulchre without Newgate, Churchwardens of.	ditto	14 10 10	ditto	—	—	—	—
Lydbury, Master of the School	Hereford	3 4 –	ditto	—	—	—	—
Melford, The Poor of	Suffolk	2 12 9	ditto	—	—	—	—
Newbury, Master of the Grammar School	Berks	10 15 –	ditto	—	—	—	—
Newport (Salop), Master of the School	Salop	4 9 1	ditto	—	—	—	—
North Allerton, Master of the Grammar School of	York	4 11 9	ditto	—	—	—	—
Oundle, Master of the School	Northampton	4 16 11	ditto	—	—	—	—
Plympton, Twelve Almspeople in	Devon	2 6 8	ditto	—	—	—	—
Pontefract, Curate of Hospital of St. Nicholas	York	22 4 4	ditto	—	—	—	—
„ Mayor and Burgesses	ditto	3 12 7	ditto	—	—	—	—
Carried forward £.		772 16 8					

PERPETUAL PENSIONS, &c., chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act 29 & 30 Vict. cap. 62—*continued*.

GRANTEES.	County, &c., on which first Charged.	Amount per Annum.	AUTHORITIES.	Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
		£. s. d.			£. s. d.		
Brought forward - - -		772 16 8					
Richmond (Surrey), Trustees and Directors of the Charity School.	Surrey - - -	29 4 –	Treasury Letter, 8th May 1832 - - - - -	—	—	—	—
„ (Surrey), Parish Officers of - - -	ditto - - -	10 10 ..	Treasury Letter, 9th April 1832 - - - -	—	—	—	—
„ (Yorkshire), The Poor of - - - -	Richmond - -	12 11 4	Pension Deed, 30 Car. II. - - - - - -	—	—	—	—
Rock, Master of the School of - - - - -	Worcester - -	5 2 4	- - ditto - - ditto - - - - - -	—	—	—	—
Rotherham, Master of the Grammar School - -	York - - -	9 19 6	- - ditto - - ditto - - - - - -	—	—	—	—
Salisbury (New Sarum), Master and Usher of the Grammar School.	Wilts - - -	24 3 3	- - ditto - - ditto - - - - - -	—	—	—	—
„ (New Sarum), Master and Fellows of St. Nicholas Hospital.	ditto - - -	3 – 6	- - ditto - - ditto - - - - - -	—	—	—	—
Skipton-in-Craven, Master of the School - - -	York - - -	3 16 –	- - ditto - - ditto - - - - - -	—	—	—	—
Smith's Charity, Kingston-on-Thames, Trustees of -	Surrey - - -	95 – –	Chargeable upon the Manor, &c. of Esher, 4 Geo. I., c. 10 (private).	—	—	—	—
Southwell, Schoolmaster of - - - - - -	Notts - - -	7 17 4	Act 3 & 4 Will. IV. c. 86. Treasury Warrant, 12th September 1833 and 14th February 1834.	—	—	—	—
Stamford, Municipal Charity Trustees - - -	Lincoln - - -	35 1 8	Chargeable upon the Manor of Deeping - - -	—	—	—	—
Tamworth, Master of the School of - - - -	Stafford - - -	9 15 9	Pension Deed, 30 Car. II. - - - - - -	—	—	—	—
Taunton, Twelve Poor Persons - - - - -	Somerset - -	2 8 9	- - ditto - - ditto - - - - - -	—	—	—	—
Tewkesbury, Thirteen Almsmen in - - - -	Gloucester - -	33 18 –	- - ditto - - ditto - - - - - -	—	—	—	—
Thaxted, Poor of - - - - - - -	Essex - - -	5 13 3	- - ditto - - ditto - - - - - -	—	—	—	—
Topcliffe, Master of the Grammar School - - -	York - - -	4 11 4	- - ditto - - ditto - - - - - -	—	—	—	—
Waterbeach, Churchwardens of - - - - - -	Cambridge - -	15 – –	Chargeable upon premises in New Round-court, Vine-street, &c.	—	—	—	—
Whichan and Millom, Master of School of - - -	Cumberland - -	14 19 4	Pension Deed, 30 Car. II. - - - - - -	—	—	—	—
Windsor, Mayor and Churchwardens - - - -	Berks - - -	113 4 –	Treasury Letter, 25th May 1832 - - - -	—	—	—	—
„ Vicar of, for twelve Poor Housekeepers not receiving Alms, and for four Inmates of Reeve's Almshouses.	ditto - - -	8 – –	Chargeable upon property at Windsor - - -	—	—	—	—
Worcester, Usher of the School - - - - - -	Worcester - -	6 1 8	Pension Deed, 30 Car. II. - - - - - -	—	—	—	—
„ Twenty-four Poor Persons in the City of -	ditto - - -	4 18 3	- - ditto - - ditto - - - - - -	—	—	—	—
York, Thirty-one Poor Persons, called "Cremitts" -	York - - -	41 6 8	- - ditto - - ditto - - - - - -	—	—	—	—
	£.	1,268 19 7	- - - - - - - - - -	Feb. 1884 -	43,162 4 6	By creation of a 10 years' annuity of 5,097 *l.* 11 *s.* 6 *d.*, under Act 46 & 47 Vict. c. 102.	Transfer to the Charity Commissioners of Stock, which will yield dividends equivalent to the amount of the charges redeemed.

King's Norton, Master of the School	Worcester	9 – 6	Pension Deed, 30 Car. II.	—	—	—	—
„ Usher of the School	ditto	4 9 1		—	—	—	—
Whalley, Master of the School	Lancaster	12 8 2		—	—	—	—
	£.	25 17 9		Sept. 1884	864 10 9	Voted moneys.	Transfer to the Charity Commissioners of Stock, which will yield dividends equivalent to the amount of the charges redeemed.
Oswestry, Free Grammar School	Salop	1 12 –	Pension Deed, 30 Car. II.	March 1885	51 18 10	Voted moneys	ditto ditto.
Rothwell, Free Grammar School	Northampton	2 17 10		August 1885	97 3 7	ditto	ditto ditto.
Alderney, Perpetual Curate	Alderney	90 – –	Order in Council, 18th December 1824 for 50 *l.* Treasury Warrant, 8th September 1827, for 40 *l.*	—	—	—	—
„ Perpetual Curate, in consideration of the relinquishment of the Fish Tithes.	ditto	5 – –	Treasury Letter, 29th November 1837	—	—	—	—
Cambridge, the Master and Fellows of Gonville Hall and Caius College.	Cambridge	2 14 4	Pension Deed, 30 Car. II.	—	—	—	—
„ the Master and Fellows of Trinity College	ditto	18 12 –	ditto ditto	—	—	—	—
„ University of (perpetuity)	ditto	8 3 6	Act 3 & 4 Will. IV. c. 86. Treasury Warrants, 12th September 1833 and 14th February 1834.	—	—	—	—
„ University of, for a Preacher	ditto	8 3 6		—	—	—	—
„ University of, for a Professor of Divinity	ditto	11 5 2		—	—	—	—
„ University of, for a Professor of Law	ditto	34 18 –		—	—	—	—
„ University of, for a Professor of Physic	ditto	34 18 –		—	—	—	—
„ Emmanuel College	ditto	14 3 4		—	—	—	—
Eton College, Provost and Fellows	Bucks	36 13 9	Act 3 & 4 Will. IV. c. 86. Treasury Warrants, 12th September 1833 and 14th February 1834.	—	—	—	—
Oxford, Dean and Chapter of Christchurch	Oxford	20 1 6	Pension Deed, 30 Car. II.	—	—	—	—
„ Poor Scholars of	ditto	3 1 6	ditto ditto	—	—	—	—
„ University, for a Preacher	ditto	7 19 6	Act 3 & 4 Will. IV. c. 86. Treasury Warrants 12th September 1833 and 14th February 1834.	—	—	—	—
„ University, for a Professor of Divinity	ditto	11 5 2		—	—	—	—
„ University, for a Professor of Law	ditto	34 18 –		—	—	—	—
„ University, for a Professor of Physic	ditto	36 – –		—	—	—	—

PERPETUAL PENSIONS, &c., chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act 29 & 30 Vict. cap. 62—*continued.*

GRANTEES.	County, &c. on which first Charged.	Amount per Annum.	AUTHORITIES.	Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
		£. s. d.			£. s. d.		
University of St. Andrew's:							
Donation to the United College	Scotland	140 – –	Gift of Mortification by King William III., dated 8th February 1693	—	—	—	—
Professor of Hebrew	ditto	25 – –		—	—	—	—
Professor of Ecclesiastical History, paid to the Principal of St. Mary's College.	ditto	150 – –	Warrant by King William III., dated 29th April 1694	—	—	—	—
Bursar	ditto	30 – –	Warrant by King George III., dated 9th January 1802	—	—	—	—
University of Edinburgh:							
Professor of Ecclesiastical History	ditto	100 – –	Gift of Mortification by King William III., dated 8th February 1693	—	—	—	—
Two Bursars, at 25 *l.* each	ditto	50 – –	Warrant by King William III., dated 17th December 1694	—	—	—	—
University of Aberdeen:							
King's College	ditto	193 6 8	Gift of Mortification of King William III., dated 28th February 1693	—	—	—	—
Mareschal College	ditto	86 13 4		—	—	—	—
Two Bursars, at 10 *l.* each	ditto	20 – –		—	—	—	—
Glasgow University:							
Professor of Civil Law	ditto	90 – –	Gift of Mortification by King William III., dated 8th February 1693 — Grant by Queen Anne, 16th December 1713 — Warrant from King George I., 4th July 1716 — Letters Patent by King George I., dated 19th September 1721, and Warrant from King George IV., 7th August 1826	—	—	—	—
„ Physic	ditto	40 – –		—	—	—	—
„ Church History	ditto	100 – –		—	—	—	—
„ Oriental Languages	ditto	15 11 1		—	—	—	—
„ Physics	ditto	8 6 8		—	—	—	—
„ Ethics	ditto	8 6 8		—	—	—	—
„ Logic	ditto	2 17 9		—	—	—	—
„ Greek	ditto	5 – –		—	—	—	—
„ Humanity	ditto	8 6 8		—	—	—	—
„ Divinity	ditto	16 13 4		—	—	—	—
„ Botany	ditto	100 – –		—	—	—	—
Principal of the College	ditto	38 4 5		—	—	—	—
Three Bursars, at 10 *l.* each	ditto	30 – –		—	—	—	—
Three Bursars, at 13 *l.* 6 *s.* 8 *d.* each	ditto	40 – –		—	—	—	—
Precentor of the Town Church, St. Andrew's	ditto	5 11 1	Ancient Payment	—	—	—	—
„ „ Glasgow	ditto	5 – –	Ancient Payment	—	—	—	—
„ „ Dunfermline	Fife	5 11 1	Ancient Payment	—	—	—	—
Minister of Queensferry	Edinburgh	21 – –	Grant, 21st June 1794	—	—	—	—
Minister of Brechin	Forfar	21 5 6	Grant, 28th July 1818	—	—	—	—
Minister of the Gaelic Chapel, Cromarty	ditto	50 – –	Letters Patent, 10th August 1781	—	—	—	—
Minister of Lerwick	ditto	27 15 6	Gift of Mortification by Queen Anne, 4th October 1706.	—	—	—	—
Minister of Dunkeld and Dowally, 43 bushels 3 pecks of meal and 43 bushels 3 pecks of barley, payable at the Fiars prices of the County.	Perth	Varying	Grant by King George IV., 29th December 1824	—	—	—	—

Note.—In addition to the above there are several allowances, varying in amount from 1 *l.* 1 *s.* to 16 *l.* 12 *s.* 3 *d.* per annum, which have remained unclaimed for many years.

LIST of PERPETUAL PENSIONS Chargeable on VOTED MONEYS on 1st January 1881.

GRANTEES.	Amount per Annum.	ORIGIN.		Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
	£. s. d.				£. s. d.		
Corporation of Berwick, for repairs of Bridge - -	90 9 –	Letters Patent of the 23rd July, in the 18th year of Charles II.	These Letters Patent granted to the Corporation of Berwick-upon-Tweed and to their successors for ever an annuity of 100 *l.*, payable out of the customs of Berwick or Newcastle-upon-Tyne, with a proviso that they should, at their own costs and charges, support and repair the bridge built over the Tweed by King James I., and that they should expend the whole of the money arising from the said pension in maintaining the said bridge in repair, for which they should give security by the conveyance of the Manor of Tweedmouth, in the County of Durham. James II., by Letters of Privy Seal, dated 22nd August 1685, directed that the same annuity should be paid out of any duties not appropriated by Parliament. (*See* Report of Select Committee on Civil Government Charges, No. 337, of 1831, Appendix 7, p. 51.)	—	—	—	—
Earl of Derby, Thomas Cholmondley and William Banck, to be distributed among the Incumbents and Schoolmasters of the Isle of Man, now payable to the Bishop of Sodor and Man.	89 9 –	Letters Patent of 19th April of 27 Charles II.	These Letters Patent granted an annuity of 100 *l.* (since reduced by fees and other deductions to 89 *l.* 9 *s.*), charged on the hereditary excise "to be employed and disposed towards the maintenance of such poor ministers in the Isle of Man as shall be found to stand in most neede thereof."	—	—	—	—
Compensation for the loss of the privilege of Printing and Vending Almanacks :							
Payable to Oxford University - - - -	500 – –	44 Geo. III., c. 98 -	These annual allowances were first made payable under the provisions of the Act 21 Geo. III., c. 56, s. 10 :—	—	—	—	—
Payable to Cambridge University - - -	500 – –						

"X. And whereas the power of granting a liberty to print almanacks, and other books, was heretofore supposed to be an inherent right in the Crown: and whereas the Crown hath, by different charters, under the Great Seal, granted to the Universities of Oxford and Cambridge, among other things, the privilege of printing almanacks: and whereas the Universities did demise to the Company of Stationers of the City of London their privileges of printing and vending almanacks and calendars, and have received an annual sum of One thousand pounds and upwards, as a consideration for such privilege: and whereas the money so received by them has been laid out and expended in promoting different branches of Literature and Science, to the great increase of religion and learning, and the general benefit and advantage of these realms, and whereas the privilege or right of printing almanacks has been, by a late decision at law, found to have been a common right, over which the Crown had no control, and consequently the Universities no power to demise the same to any particular person or body of men, whereby the payments so made to them by the Company of Stationers have ceased and been discontinued; be it therefore enacted by the authority aforesaid, that, from and after the twenty-fourth day of June, one thousand seven hundred and eighty-one, there shall be issued paid, and applied in every year out of the monies which shall arise by the duty hereinbefore granted, the sums of moneys following, to the two Universities of Oxford and Cambridge, that is to say, the sum of five hundred pounds to the University of Oxford, and the sum of five hundred pounds to the University of Cambridge, which said several and respective sums of money shall be, and are hereby charged upon the duty hereinbefore granted [*i.e.*, upon almanacks], and shall be paid thereout yearly and every year, at the two usual feasts, that is to say, the feast of the Nativity of Saint John the Baptist, and the birth of our Lord Christ, the first payment to be made, on the feast of the birth of our Lord Christ after passing this Act, by the Receiver General of His Majesty's Stamp duties, free and clear of all fees, dues, duties, fares, and deductions whatsoever."

The duty upon almanacks having been repealed by the Act 44 Geo. III. c. 98, the allowances in question (*see* Schedule C. of the Act) were made payable out of general stamps revenue, and continued to be so paid until the year 1858, when, under the provisions of the Act 19 & 20 Vict. c. 59, the allowances ceased to be defrayed out of Gross Revenue, and were charged upon Votes of Parliament.

List of Perpetual Pensions Chargeable on Voted Moneys on 1st January 1881—*continued.*

GRANTEES.	Amount per Annum.	ORIGIN.		Date of Redemption.	Redemption Money.		Terms of Redemption.
					Amount.	How Provided.	
	£. s. d.				£. s. d.		
Creation Money payable to the Bursar of Trinity College, Cambridge, for the Counties of Cambridge and Hunts.	5 6 8	Grant made by Edward II., confirmed by Charter of Henry VIII.	The following extract from a letter of the Bursar of Trinity College, Cambridge, dated the 3rd of December 1881, explains the origin of this grant, which appears to have nothing in common with the "Creation Fees":—	—	—	—	—

EXTRACT from a LETTER from the BURSAR of TRINITY COLLEGE, CAMBRIDGE, dated the 3rd of December 1881.

MY Lords desire to be furnished with certified copies of Extracts from the original Grant of King Edward II., and from the Charter of King Henry VIII., so far as they relate to the payment of 5 *l.* 6 *s.* 8 *d.*, known as the Cambridge and Hunt's Pension.

I am not aware that the original grant, made by Edward II., is in existence, but the following extracts from the documents relating to the University and Colleges of Cambridge, published in 1852 by direction of the University Commissioners, will be sufficient to show the history of the payment from a period not much later than the date of the original grant.

"*Close*, 20 *Edw*$^{d.}$ 2, *m.* 2.—Sheriff of Cambridge is ordered to pay the King's Scholars, studying in the University of Cambridge, the arrears of "the sum of money granted to them by the King for their daily support, and also the allowance from henceforth, 14 Dec."—(Documents, vol. 1, p. 7.)

"*Close*, 7 *Edw*$^{d.}$ 3, *p.* 1, *m.* 26.—Sheriff of Cambridge is to pay out of the issues of his bailiwick the arrears due to John de Langetoft, Warden "of the King's Elemosinary Scholars in the University of Cambridge, for the rent of the houses which they inhabit for the two last years, 4 Feb."—(Documents, vol. 1, p. 10.)

"*Close*, 7 *Edw*$^{d.}$ 3, *p.* 1, *m.* 18.—Sheriff of Cambridge, out of the issues of his bailiwick, is to pay to John de Langetoft, Warden of the King's "Elemosinary Scholars in the University of Cambridge, ten marks, which are in arrear for the rent of their houses for the last two years, "7 April." Also to pay to the said Warden and Scholars the arrears of their wages, 2 April."—(Documents, vol. 1, p. 10.)

Similar writs were issued on the 29th of June and 9th of August of the same year.

After the foundation of King's Hall, 11 Edward 3, we find the order made for the special payment which is the subject of inquiry by my Lords.

"*Close* 13, *Edw.* 3, *p.* 1, *m.* 44.—Sheriff of Cambridge to pay Thomas Powys, Warden of the King's Elemosinary Scholars in the University of "Cambridge, the arrears due for two robes granted to him by the King; and also in future to provide him the price of two robes a year. "20 Feb."—(Documents, vol. 1, p. 12, repealed, p. 14.)

Again,

"*Close*, 26 *Edw.* 3, *m.* 6.—Sheriff of Cambridge and Hunts is to allow Thomas Powys, Warden of the King's Elemosinary Scholars in the "University of Cambridge, three pence a day and two robes a year. 8 Nov."—(Documents, vol. 1, p. 19.)

"*Patent*, 35 *Edw.* 3, *p.* 3, *m.* 18.—Grant to Master John de Shropham, Warden of the King's Elemosinary Scholars in the University of "Cambridge, of 4 *d.* a day for his wages, and eight marks a year for two robes. 28 Oct."—(Documents, vol. 1, p. 22.)

Patent, 37 *Edw.* 3, *p.* 2, *m.* 8.—Appointment of Nicholas de Drayton as Warden of the King's Elemosinary Scholars in the University of Cambridge. Grant to the said Nicholas of 4 *d.* a day for his wages, and eight marks a year for two robes. 1 Dec."—(Documents, vol. 1, p. 23.)

"*Patent*, 38 *Edw.* 3 *p.* 2 *m.* 1.—Grant to Nicholas de Roos, Warden of the King's Elemosinary Scholars of his Hall in Cambridge of 4 *d.* a day "for his wages and eight marks a year for his robes. 12 Jan."—(Documents, vol. 1, p. 24.)

"*Close*, 39 *Edw.* 3 *m.* 15.—Sheriff of Cambridge is to pay to Nicholas de Roos, Warden of the King's Elemosinary Scholars in the University "of Cambridge, the arrears due to him of 4 *d.* a day for his wages and eight marks a year for two robes, and to pay him hereafter the said 4 *d.* "a day and eight marks a year. 10 Oct."—(Documents, vol. 1, p. 24.)

The same grant of eight marks (5 *l.* 6 *s.* 8 *d.*) a year for robes was made to Richard Ronhale (14 Nov., 49 Edw. 3; Documents, vol. 1, p. 25), and to Thomas Hetersete (15 Oct., 9 Rich. 2; Documents, vol. 1, p. 30). On 5th Nov., 2 Hen. 4, the "Sheriff of Cambridge is commanded to pay "Richard de Dereham, Warden of the College of the King's Scholars in the University of Cambridge, the arrears of eight marks per annum for "robes due since the 6th October in the first year of the King's reign, when he was appointed, and eight marks per annum in future."—(Documents, vol. 1, p. 35.)

On 21st July, 3 Hen. 5, the "Sheriff of Cambridge is commanded to pay Richard Dereham, Warden of the College of the King's Scholars in "the University of Cambridge, the arrears of eight marks per annum granted to him for robes on the 5th of June, the day of his appointment, "and to pay him the same sum annually."—(Documents, vol. i, p. 39.)

The same grant of eight marks a year for robes was made to Richard Holme.—(*Ibid.*)

My Lords will, I trust, be of opinion that my original statement is correct, that the payment in question made by the Sheriff of Cambridge and Hunts to Trinity College, had its beginning in a charge made upon the revenues of the Sheriff by Edward II. for the support of the King's Scholars at Cambridge, although the special purpose for which the contribution was to be made and its exact amount were not defined till 20 Feb., 13 Edw. 3, and 28 Oct., 35 Edw. 3.

If my Lords should still desire to be furnished with certified copies of any of the documents above mentioned, the College will endeavour to obtain them.

In my last letter I stated that this payment of 5 *l.* 6 *s.* 8 *d.* per annum, by the Sheriff of Cambridge and Hunts, which was one of the original endowments of King's Hall, was confirmed to Trinity College on its foundation by Henry VIII. in his Charter of Donation, dated 24 Dec., 38 Hen. 8. This Charter is printed in full in the Documents, &c., above-mentioned (Vol. III., pp. 365, &c.), and from it I quote the following extract (p. 379), which I have compared with the copy in the College muniment room and found to be verbally identical with it:—

"Necnon totum illum annualem redditum quinq librar sex solidor and octo denarior eidem nup Auli Regie dudum spect an' and

Appendix, No. 4.

PAPER handed in by Sir *Reginald Welby*, K.C.B.

SALARIES Charged on the CONSOLIDATED FUND payable to HEREDITARY OFFICERS.

ORIGINAL GRANTEES.	Amount per Annum.	ORIGIN.	Date of Redemption.	Redemption Money.		Terms of Redemption.
				Amount.	How provided.	
Heritable Usher of Scotland, now payable to Hugh James Rollo for the Trustees of the late Miss Mary Walker.	£. s. d. 242 15 –	It is stated in the Report of the Select Committee on Civil Government Charges (No. 337), of 1831, Appendix 21, p. 97, that Sir Patrick Walker then held this office by a Charter from the Crown to him and his heirs and assignees whatsoever, and that the date of his appointment was 1st May, 1805. In accordance with the recommendation of that Committee, the salary of this office has been charged on the Consolidated Fund, under the provisions of the Act 2 & 3 Will. IV., cap. 116.	—	£. s. d. —	—	—
Duke of Hamilton, Hereditary Keeper of the Palace, Holyrood House.	45 10 –	It is stated in the Report of the Select Committee on Civil Government Charges (No. 337), of 1831, Appendix 21, p. 97, that King Charles the First made a grant to the ancestor of the Duke of Hamilton of the office of Keeper of the Palace of Holyrood House, with power to appoint a Deputy Keeper and Porter. Upon the accession of George the First, His Majesty granted a salary of 46 *l.* per annum in place of certain allowances of money and grain formerly enjoyed by the Principal Keeper, and it is stated that this salary had been continued in all the establishments of the succeeding Sovereigns. The salaries attached to the said offices of Deputy Keeper and Porter at the time of the Union between England and Scotland are stated to have been 50 *l.* and 37 *l.* 15 *s.* 6 *d.* a year respectively, and it is stated that these salaries had been continued the same in all the establishments of the Sovereigns subsequent to Queen Anne. In accordance with the recommendation of that Committee, the salaries of 45 *l.* 10 *s.* attached to the office of Hereditary Keeper of Holyrood, and those of 50 *l.* and 37 *l.* 15 *s.* 6 *d.* attached to the offices of Deputy Keeper and Porter respectively, have been charged on the Consolidated Fund, under the provisions of the Act 2 & 3 Will. IV., cap. 116.	—	—	—	—

Appendix, No. 5.

PAPERS handed in by Sir *Reginald Welby*, K.C.B.

CREATION MONEY.

DUCHY OF LANCASTER.

	£.	s.	d.
Essex - - - - - - - - -	40	10	10
Lincoln - - - - - - - - -	20	–	–
Derby - - - - - - - - -	20	–	–
Nottingham - - - - - - - -	20	–	–
	£. 100	10	10

ESSEX:

Appendix, No. 1. Granted to Humphrey de Bohun Earl of Hereford and Essex and the heirs of his body from whom it descended by inheritance to Henry V. and became parcel of the Duchy.

LINCOLN:

Appendix, No. 2. Granted to Henry Earl of Lancaster and Lincoln from whom it descended by inheritance to Henry IV. and became parcel of the Duchy.

DERBY:

Appendix, No. 3. Granted to Henry Duke of Lancaster and Earl of Derby from whom it descended by inheritance to Henry IV. and became parcel of the Duchy.

NOTTINGHAM:

Appendix, No. 4. Granted to Henry IV. Duke of Lancaster and Earl of Derby and became parcel of the Duchy.

Appendix, No. 5. In 1763 The right of the Duchy was recognised by the Exchequer in proceedings taken by the Duchy for payment of these sums which had not been paid owing to the Sheriffs being in surplusage.

J. G. D. E.

Duchy of Lancaster Office,
24 March 1887.

APPENDIX, No. 1.

PIPE ROLL 42 Edward III.

THE same Sheriff [of Essex and Hertford] renders Account, &c. And to Humphrey son and heir of William de Bohun late Earl of Northampton kinsman and heir of Humphrey de Bohun then Earl of Hereford and Essex deceased for those Forty pounds ten shillings and ten pence yearly which the Lord Edward late King of England father of the now King granted to Humphrey de Bohun then Earl of Hereford and Elizabeth his wife and the heirs of the body of the same Humphrey To be received from the Issues of the County of Essex by the hand of the Sheriff of the same County for the time being for the third penny of that County Twenty pounds five shillings and five pence for the term of Michaelmas this 42nd Year &c.

Appendix, No. 2.

Charter Roll 23 Edward III.

Extract.

For Henry Earl of Lancaster.

The King to the Archbishops, Bishops, Priors, Earls, Barons, Justices, Sheriffs, Reeves, Ministers and all his bailiffs and faithful subjects Greeting &c. Grants to him the title of Earl of Lincoln And that the said title may not be called altogether void and useless we have given and granted and by this Our Charter have confirmed to the aforesaid Earl under the name of the Earl of Lincoln Twenty pounds to be received by him and by his heirs every year of the hands of Our Sheriff of Lincolnshire for the time being for the third penny of that County at the terms of St. Michael and Easter by equal portions for ever as Thomas late Earl of Lancaster uncle of the aforesaid Earl received such £. 20 for the third penny of the said County of Lincoln whilst he lived Wherefore we will and firmly command for Us and our heirs that the aforesaid Earl and his said heirs under the name of Earl of Lincoln for ever may have and receive every year the said Twenty pounds of the hands of the Sheriff of Lincolnshire for the time being for the third penny of that County &c. These being Witnesses &c. Given by the hand of the King at Westminster on the twentieth day of August [23 Edward III.].

Appendix, No. 3.

Pipe Roll 42 Edward III.

The same Sheriff [of Nottingham and Derby] renders Account &c. And to John Duke of Lancaster who married Blanche daughter and heir of Henry late Duke of Lancaster for these Twenty pounds yearly rent which the late King granted to the aforesaid Henry under the name of the Earl of Derby to be received to him and his heirs every year from the issues of the said County of Derby at the Feasts of Easter and St. Michael equally by the hand of the Sheriff of the said county for the time being for ever Twenty pounds by Writ of the King allowed to the Sheriff in the Roll aforesaid and two Letters Patent of acknowledgment of Robert atte More Receiver of Tuttebury.

Appendix, No. 4.

10 Elizabeth Pipe Roll.

The same Sheriff [of Nottingham] renders Account And to Elizabeth now Queen of England Duchess of Lancaster from all those Twenty pounds yearly by the Lord Edward late King of England progenitor of King Henry late Earl of Lancaster, Derby and Lincoln and his heirs to be received under the name of the Earl of Derby at the Feast of Easter and St. Michael by equal portions by the hand of the Sheriff of that county for the time being for ever £. 20 &c. for the 11th of the same Queen by Writ of King Henry V. enrolled on the Memoranda of 1st Year of his Reign for the term of Holy Trinity Roll 10 which is among the Communia of the year aforesaid by pretext of a certain Act of Parliament the Lord the King at Westminster 7th November held in the first year for the Duchy of Lancaster and enrolled on the Memoranda Roll *ex parte* Remembrancer under the third Year of King Henry VIII. to wit among the Records of Holy Trinity Roll 24 and Letter of Acquittance of William Eade Esq. Receiver General of the same Duchy.

Appendix, No. 5.

Order Book (Exchequer Lord Treasurer's Remembrancer) 2 Geo. III. to 9 Geo. III.

Easter Term in the Third Year of the Reign of King George the Third 1763.

Tuesday the 10th day of May.

England upon motion this day made unto this Court by Mr. Hussey on behalf of his Majesty in Right of his Duchy of Lancaster it was alledged that his said Majesty in Right of his said Duchy is intitled to have receive and be paid by the respective Sheriffs out of the issues and profits of their several counties the several yearly sums called creation money hereafter mentioned that is to say By the Sheriffs of Essex and Hertford £.40 10 *s.* 10 *d.* The Sheriff of Derby Twenty pounds The Sheriff of Nottingham Twenty pounds and by the Sheriff of Lincoln Twenty pounds That payment had been made by the said respective Sheriffs on account thereof and which had been allowed to them respectively on stating their accounts in this Court as hereafter mentioned that is to say By the Sheriffs of Essex and Hertford the sum of £. 40 10 *s.* 10 *d.* for each of the 1st 2d 3d and 4th years of the Reign of King James the 2d and for each of the 1st 2d 3d 4d and 5th years of the Reign of King William the 3d By the Sheriff of Derby the said annual sum of Twenty pounds from year to year down to the year ending at michas. in the 6th year of the Reign of his late Majesty King George the first By the Sheriff of Nottingham the sum of Twenty pounds for each of the 3d 4th and 5th years of the reign King James the 2d and for each of the 1st and 4th years of the reign of King William the 3d and by the Sheriff of Lincoln the annual sum of Twenty pounds from year to year down to the year ending at michaelmas in the 33d year of the reign of his late Majesty King George the 2d That the said several sums were and ought to be first paid by the said respective Sheriffs out of such issues and profits of their respective counties as should come to their hands and it was further alledged by the said Mr. Hussey that the respective Sheriffs of the said counties for the year ending at michaelmas last had given in charge to them respectively and had respectively received by such issues and profits more than sufficient to pay and satisfy the sums so respectively claimed from them and that Forster Bainbridge Gentelman the Attorney of the said Duchy (duly authorized under the seal of the said Duchy for receiving the said annual sums) had demanded of the undersheriffs of the said respective counties for the said year ending at michaelmas last or their agents the respective annual sums which became due to his said Majesty on account of the said creation money for the year which ended at michaelmas last But that they had severally refused or declined to pay the same It was therefore prayed that the several Sheriffs of Essex and Hertford Derby Nottingham and Lincoln for the year ending at michaelmas last may forthwith respectively pay unto his Majesty's said Attorney for his Majesty's use the said respective sums of £. 40 10 *s.* 10 *d.* £. 20 £. 20 and £. 20 Whereupon and upon hearing of Mr. Yates one of his Majesty's Council learned of his said Duchy likewise on behalf of his said Majesty and upon reading the counterpart of the Great Roll of the Pipe containing the several allowances hereinbefore mentioned and also upon reading the Certificate of William Dickenson Esq. the Deputy Foreign Apposer of this Court and the Affidavits of the said Forster Bainbridge and Francis Russell Gentelman

It is this day Ordered by the Court that the said Sheriffs of Essex and Hertford and the said Sheriffs of Derby Nottingham and Lincoln do and shall forthwith respectively pay unto the said Attorney of his said Majesty for his said Majesty's use the respective sums of £. 40 10 *s.* 10 *d.* £. 20 £. 20 £. 20 which became due to his said Majesty on account of the said creation money for the year ending at michas. last unless his Majesty's Attorney General upon notice of this Order being given to Philip Carteret Webb Esq. the Sollicitor of his Majesty's Treasury or the said Sheriffs on the like notice being given to them their undersheriffs or agents respectively shall on the first day in the next Trinity Term shew unto this Court good cause to the contrary.

By the Court.

I certify that the foregoing is a true and authentic copy.

Peter Turner,
Assistant Keeper of the Public Records.

11 March 1887.

Appendix, No. 6.

PAPERS handed in by Sir *Reginald Welby*, K.C.B.

ANNUITY OF £. 6,870 TO THE DUKE OF GRAFTON.

SCHEDULE of Particulars of LANDS Purchased out of the Proceeds of Sale of the greater part of the Sum of 229,000 *l.* Consols, referred to in Parliamentary Paper, No. 80, of 1881, and showing how this Sum has been reduced to 30,555 *l.* 10 *s.* 8 *d.* (Stock).

Date of Deed.	Names of Parties.	Amount of Purchase Moneys.	Properties Conveyed.	Trusts Declared of Freehold.	Remarks.
		£. s. d.			
2 April 1817	John Christopher Mansel, the Most Noble George Henry Duke of Grafton; Trustees :— The Right Hon. Robert Banks Earl of Liverpool (First Lord of Treasury), the Most Hon. John Jefferies Marquis Camden, the Right Hon. William Earl of Lonsdale, and the Right Hon. John Charles Villiers.	1,300 – –	A small farm containing about 38 acres, in the parish of Passenham, Northampton (no plan).	To the trusts declared by the Acts of Parliament of 46 & 55 George III., concerning the dividends on the bank annuities, whereby pension was commuted, and to go and remain to same uses as said dividends would have gone.	This Deed recites the history of the pension of 6,870 *l.*, and its commutation by 229,000 *l.* Stocks 3 per Cent. Consols, which might be laid out in land; and this seems to be the first purchase of any such land.
24 July 1818	The Right Hon. Thomas Earl of Clarendon, Sir Robert John Buxton, the Right Hon. John Lord Crewe (Executors, &c. of late Augustus Henry Duke of Grafton), the Most Noble George Henry Duke of Grafton. The above-mentioned Earl of Liverpool, Marquis Camden, Earl of Lonsdale, and J. C. Villiers, the trustees, under 55 Geo. III.	40,730 10 –	Manor of Pottersbury, county Northampton, with houses, the rectory of Pottersbury and tithes and hereditaments, &c. The land contains in all about 1,156 acres (no plan).	Similar trusts - - - -	This Deed recites that 2,017 *l.* 3 *s.* 6 *d.* Stock had been sold out to pay for (above) purchase and expenses. *The manor of Silverston and certain lands known as Bathurst Woods, and containing* 413A. 2R. 16P., *forming part of the lands comprised in this Deed, were exchanged, through the Inclosure Commissioners, for other lands in Whittlewood Forest, containing* 422A. 2R. 15P., *belonging to Lord Southampton.*
26 June 1824	The Most Noble George Henry Duke of Grafton. The above-mentioned trustees (Mr. Villiers having become Earl of Clarendon).	5,450 – –	Messuage, farms, and hereditaments in and near Roade and Pottersbury, county Northampton (no plan, and quantities not always stated, apparently over 110 acres).	Similar trusts - - - -	This Deed recites that 56,353 *l.* 5 *s.* Consols had been sold out for purchases of freehold in Northampton and expenses, but without specifying what.
27 Aug. 1825	The Most Noble George Henry Duke of Grafton, Caroline Scrivenor, William Keep, and John Keep, trustees of late Joseph Scrivenor, and the above-mentioned trustees.	5,838 12 – 2,979 – –	Lands and houses, &c. at Pottersbury, Cosgrave, and Deanshanger, county Northampton, about 66 acres (no plan). Messuages, &c. at Pottersbury, Yardley Gobion, and land at Abthorpe.	Similar trusts - - - -	This Deed recites that 62,385 *l.* Consols had been sold, &c., as above.

ANNUITY OF £. 6,870 TO THE DUKE OF GRAFTON—*continued.*

Date of Deed.	Names of Parties.	Amount of Purchase Moneys.	Properties Conveyed.	Trusts Declared of Freehold.	Remarks.
		£. s. d.			
14 July 1827	The Most Noble George Henry Duke of Grafton; Thomas Kerby, William Cleaver, and Henry Elliott, trustees of will of J. M. Kerby, Henry Elliot, and Catherine his wife; John Parkinson, Theodosia Stovin, John Sparrow Stovin, Thomas Baker, Henry Elliott, John Godfree, John Elliott, Samuel Deacon, and the Right Hon. George Canning (First Lord of the Treasury); the Marquis Camden, the Earl of Lonsdale, the Earl of Clarendon, Samuel Jones, Thomas Atkinson, Thomas Farrer.	8,000 – – 12,000 – – 3,560 – – 800 – –	Manor of Abthorpe, county Northampton, with sundry rights, members, and appurtenances; about 100 acres of woodland at Silverstone, and about 50 acres in or near Salcey Forest, and other lands, quantity not stated; a moiety of a house, &c. in Pottersbury, and of about 1 A. 1 R. 36 P. there. The whole quantity appears to be about 573 acres.	Similar trusts - - - -	This Deed recites that 72,385 *l.* Consols had been sold out and invested in freeholds in county Northampton (including costs), leaving 156,615 *l.* 0 *s.* 3 *d.* per Cent. Consols. *The 50 acres in Salcey Forest have been acquired by the Crown under the Indenture of 24 February 1859, presently mentioned, and an award mentioned therein, and the purchase money, 1,250 l., invested in the names of the Trustees of the Prizage Fund in 1,302 l. 1 s. 8 d. Consols.*
11 Mar. 1828	John Hall and Elizabeth his wife, William Whitlock, William Drayson, the Most Noble George Henry Duke of Grafton, the Duke of Wellington as First Lord Commissioner of the Treasury, the Marquis Camden, the Earl of Lonsdale, the Earl of Clarendon, W. G. Elliott, and John Parkinson.	8,500 – – 1,600 – –	A messuage, &c. in Pottersbury, county Northampton, with about 3 A. 0 R. 1 P., and lands in Paulersbury and Whittlebury. The whole quantity appears to be about 163 acres.	Similar trusts - - - -	This Deed recites that 101,717 *l.* 18 *s.* 4 *d.* Consols had been sold out for purposes above mentioned, leaving 127,283 *l.* 18 *s.* 4 *d.* *This portion of the property in this conveyance, called Nicholas Wood and Stoney Hill, were sold in 1857 to Lord Southampton, and the purchase money, amounting to 673 l., added to the Prizage Fund.*
29 Aug. 1829	Richard Harrison, Richard Kitelee, Henry Burt, John Burt, John Newman, John Godfree, John Parkinson, Thomas Burt, John Elliott, Mary Grimsdick, Thomas Tarry, Isaac Lovell, John Sheppard, Thomas Stuckfield, George Henry Duke of Grafton, the Duke of Wellington as First Commissioner of Treasury, the Marquis Camden, the Earl of Lonsdale, the Earl of Clarendon, Thomas Farrer, and W. L. Farrer.	4,800 – – 2,750 – – 1,772 3 6	Farm house and lands in Greens Norton, five allotments in Paulersbury, an allotment in Hartwell containing 51 A. 0 R. 27 P. The whole quantity appears to be about 173 acres.	Similar trusts - - - -	Recites that 114,271 *l.* 18 *s.* had been sold out of the 3 per Cent. Consols to buy freeholds and pay costs, leaving 114,728 *l.* 2 *s.*
25 July 1837	George Henry Duke of Grafton, John Parkinson, George FitzRoy, William Viscount Melbourne (First Lord of the Treasury), John Jefferies Marquis Camden, William Earl of Lonsdale, and John Charles Villiers Earl of Clarendon.	2,850 – –	Farm house and land containing 48 A. 3 R. 37 P. in Yardley Gobion, Pottersbury, county Northampton; Red Lion Inn, Plumb Park Inn, and messuages and garden in Pottersbury; piece of ground called the Pightle in Pottersbury; piece of ground part in Pottersbury and part in Whittlebury, containing two acres (no plan).	Similar trusts - - - -	Recites that 125,273 *l.* 1 *s.* 1 *d.* Consols had been sold out and invested in freehold estates in Northampton, and paying costs, leaving 103,726 *l.* 18 *s.* 11 *d.* Consols.

7 Oct.	1840	James Attenborough, Robert Attenborough, Thomas Smith, Ann Amos, George Henry Duke of Grafton, William Viscount Melbourne (First Lord of Her Majesty's Treasury), John Jefferies Marquis Camden, William Earl of Lonsdale, Joseph Law, and John Parkinson.	8,130 – –	Messuage in Blakesley, county Northampton, several closes of ground in Blakesley containing 123 A. 1 R. 8 P. (no plan).	Similar trusts - - - -	Recites that 127,773 *l.* 1 *s.* 1 *d.* Consols had been sold and invested in freehold estates in Northampton, and paying costs, leaving 101,226 *l.* 18 *s.* 11 *d.* Consols.
19 Oct.	1841	Thomas Chambers, John Shepheard, George Henry Duke of Grafton, the Right Hon. Sir Robert Peel, bart. (First Lord Commissioner of Her Majesty's Treasury), and William Earl of Lonsdale.	11,950 – –	Messuage and lands in Stoke Bruerne and Shutlanger; farmhouse and lands at Woodend, Blakesley, containing in the whole about 213 A. 3 R. 15 P.	Similar trusts - - - -	Recites that 139,180 *l.* 12 *s.* 1 *d.* Consols had been sold and applied in the purchase of freehold estates in Northampton, and payment of costs, leaving the sum of 89,819 *l.* 7 *s.* 11 *d.* Consols.
19 Oct.	1841	Richard Edward Sheppard, John Iliffe, George Worley, George Henry Duke of Grafton, the Right Hon. Sir Robert Peel, bart. (First Lord Commissioner of Her Majesty's Treasury), and William Earl of Lonsdale, Mary Ann Worley and said John Iliffe, William Jenkinson, and John Parkinson.	750 – –	Piece of ground in Blakesley, county Northampton, containing 10 A. 0 R. 5 P.	Similar trusts - - - -	Similar recital.
2 Sept.	1857	The Queen's Most Excellent Majesty, the Hon. Charles Alexander Gore, Henry Duke of Grafton, the Right Hon. Henry John Viscount Palmerston, Lord Charles Fitzroy, the Hon. Edward Gordon Douglas Pennant, the Hon. and Rev. Augustus Frederick Phipps, and William James Farrer.	43,000 – –	Lands in the parishes of Whittlebury, Paulersbury, Pottersbury, Passenham, and Deanshanger and Lillingstone Dayrell, in the counties of Northampton and Buckingham, containing 762 A. 0 R. 32 P. (plan annexed),	Similar trusts - - - -	Recites that 152,107 *l.* 5 *s.* 2 *d.* Consols had been sold and invested in the purchase of freehold estates in Northampton, and in payment of costs, leaving 74,723 *l.* 16 *s.* 6 *d.* Consols. *This sum was reduced by sale of* 46,178 *l.* 16 *s.* *Consols, for purchase money and costs, to* 28,545 *l.* 0 *s.* 6 *d.* *Consols.*

— „ By Order of Exchange the manor of Silverston and Bathurst Woods, comprised in Indenture of 24th July 1818, and containing 413 A. 2 R. 16 P., were exchanged with Lord Southampton for other lands in Whittlewood Forest, containing 422 A. 2 R. 15 P. (*See* Note, p. 75.)

7 Aug. „ By an Indenture of Conveyance of this date, between Henry Duke of Grafton, first part, Charles Lord Southampton, second part, and Jacob Burt, third part, Nicholas Wood, containing 11 A. 3 R. 28 P., and Stoney Hill, containing 4 A. 2 R., were conveyed to Lord Southampton.

9 Dec. „ And by a Deed Poll of this date, under the hand and seal of Henry Duke of Grafton, after reciting that Nicholas Wood and Stoney Hill had been conveyed, under deed of 11th March 1828, to the uses of the Prizage Fund; and in order to reimburse the Prizage Fund, Henry Duke of Grafton had caused same to be valued, and such value was found to be 673 *l.*, and accordingly that sum was invested in 708 *l.* 8 *s.* 6 *d.* Consols in the names of the trustees of the Prizage Fund. This, added to the 28,545 *l.* 0 *s.* 6 *d.* Consols, increased that stock to 29,253 *l.* 9 *s.*

24 Feb. 1859 By Indenture between Henry Duke of Grafton, first part, Edward Geoffrey Smith Stanley Earl of Derby, First Commissioner of Her Majesty's Treasury, Lord Augustus Charles Lennox FitzRoy, the Hon. Edward Gordon Douglas Pennant, the Hon. and Rev. A. F. Phipps, and Wm. James Farrer, esq., second part, the Hon. Charles Alexander Gore, the Commissioner of Her Majesty's Woods, Forests, and Land Revenues, of the third part, and the Queen's Most Excellent Majesty, fourth part, after reciting Indenture of 14th July 1827, being the conveyance of (*inter alia*) 50 acres in Salcey Forest, it was witnessed that in consideration of 1,250 *l.* the said Duke of Grafton, with the approbation of the parties of the second part, conveyed the said land in Salcey Forest by its then description to Her Majesty The Queen, her successors and assigns, as part and parcel of the possessions of the Land Revenues of the Crown.

This sum of 1,250 *l.* was, on the 5th April 1859, invested in £. 1,302 1 8 Consols,
in the names of the Trustees of the Prizage Fund, which, added to the 29,253 9 – Consols,

make up the present Total of - - - £. 30,555 10 8 Consols.

GRAFTON ESTATES.

The title under which the Duke of Grafton held Salcey Lodge and the lands in and adjoining Salcey Forest, containing altogether 216 A. 1 R., referred to on page 26 of the 36th Report of the Commissioners of Woods and Forests (Parliamentary Paper, No. 380 of 1858), as having been purchased by the Crown for 9,500 *l.*, is explained in the following letter from Mr. Frederick Hellard, a Principal Clerk in the Office of Woods and Forests.

(Grafton Estates.)

Office of Woods, &c., 1 and 2, Whitehall-place, S.W.,
18 March 1887.

My dear Sir,

THE title to the lands, &c., at or near Salcey, purchased by the Crown for 9,500 *l.*, is complicated, and cannot be explained very shortly.

The purchase to which you refer comprises Salcey Lodge and lands to the extent of 218 A. 1 R. 25 P., and rights of sporting over Hazleborough Woods, which then belonged to the Crown.

The Duke of Grafton was entitled under the letters patent 25 Car. II. for an estate in tail male to certain estates in Northamptonshire and elsewhere, and to the underwood growing in Whittlewood and Salcey Forests, and under the letters patent of 11 Anne he was similarly entitled as Master of the Game to rights over Hazleborough Woods belonging to the Crown, and formerly part of Whittlewood Forest.

His eldest son, the Earl of Euston, was entitled for life under letters patent 41 Geo. III. to the office of Warden and Ranger of Salcey Forest.

The Act 6 Geo. IV. c. cxxxii., authorised the disafforestation and enclosure, &c., of Salcey Forest, and the Act 7 Geo. IV. c. xvi., authorised the subdivision and exchange of certain allotments made under the first Act, and in other respects supplemented the latter.

The recitals in these Acts give some information as to the claims of the Duke and his son, and in the first Act it is mentioned that the Earl of Euston desired that the compensation for his rights might be allotted to the Duke of Grafton in tail male in the same way as the compensation in respect of the Duke's rights.

Accordingly, three allotments containing 79 A. 0 R. 34 P., 42 A. 0 R. 19 P., and 31 A. 0 R. 29 P., respectively (the last including Salcey Lodge), were made by the award, dated 1st July 1826, to the Duke in satisfaction of his and his son's rights under the letters patent of 25 Car. II. and 41 Geo. III., and a further allotment of 50 acres was made to J. Parkinson for raising the Duke's share of costs.

This last allotment was sold by Parkinson to the trustees of the Prizage Fund, and is comprised in the conveyance of 14th July 1827, set out in the Schedule already supplied to you, but this fact seems to have been overlooked, for under the award of 30th April 1828, made under the second Act, an exchange was effected between the Crown and the Duke of Grafton, whereby the Crown acquired some allotments containing 84 A. 0 R. 29 P., and also the before-mentioned allotments of 79 A. 0 R. 34 P., and 42 A. 0 R. 19 P., and also 47 A. 3 R. 15 P., part of the 50 acre allotment, and the Duke acquired in lieu allotments containing respectively 138 A. 3 R. 14 P. and 2 R. 9 P., which were parts of the allotments previously made to the Crown. Then in 1829 this Department granted to the Duke 12 A. 2 R. 18 P., further part of the Crown allotment in exchange for the same quantity granted by the Duke, being part of the 138 A. 3 R. 14 P. acquired by him under the exchange of 1828.

The mistake seems to have been discovered in 1858, and an order of the Inclosure Commissioners was then made, dividing the allotment of 138 A. 3 R. 14 P. as follows:— 35 acres to the trustees of the Prizage Fund in lieu of the 47 A. 3 R. 15 P. which belonged to them, but was acquired by the Crown under the exchange of 1828, and the remainder to the Duke.

Thus in 1859 the trustees of the Prizage Fund owned 37 A. 0 R. 25 P., and the Duke as tenant in tail male under the grant of 25 Chas. II. owned Salcey Lodge and 135 A. 2 R. 10 P. of allotted lands. These together amount to 172 A. 2 R. 35 P., and formed part of the lands conveyed, and the remaining 45 A. 2 R. 30 P. conveyed were, I gather, parts of the estates originally granted by the letters patent of 25 Chas. II.

The purchase of the lands, &c., other than those owned by the Prizage Fund, was made under the powers of the Land Revenue Act, 10 Geo. IV. c. 50, which enable persons who may not be absolute owners to make a good title (*see* Sec. 53, *et seq.*). The purchase money of 9,500 *l.* was paid into Court on 25th January 1859, and subsequently invested in Consols on the accounts, viz.:—

£. 1,250 on the account of the Trustees of the Prizage and Butlerage Fund, and 8,250 *l.* on an account entitled "The Entailed Estates of the Duke of Grafton and the Commissioners of Her Majesty's Woods, Forests, and Land Revenues."

The former sum is of course merged in the larger sum standing to the account of the same trustees, but the latter sum still remains invested as above mentioned, the dividends being received by the Duke of Grafton for the time being.

Yours, &c.

C. C. Puller, Esq. (signed) *Frederick Hellard.*

ANNUITY OF £. 6,870 TO THE DUKE OF GRAFTON.

STATEMENT of Dealings with PRIZAGE FUND prepared by Messrs. *Farrer & Co.*

		CONSOLS.
		£. s. d.
	Whole Fund	229,000 – –
1817 - 5 April - -	Sold for purchase of John Christopher Mansel, esq., £. 1,300	1,771 14 6
		227,228 5 6
„ 7 May - -	To pay Bill of Costs, as taxed, respecting ditto, viz., £. 177. 19. 2.	245 9 –
		226,982 16 6
1818 - 28 July - -	The purchase of the Trustees under the will of the late Duke of Grafton	53,242 9 6
		173,740 7 –
„ 6 August -	To pay Bill of Costs, as taxed, respecting ditto, viz., £. 843. 8. 9.	1,093 12 –
		172,646 15 –
	£. s. d.	
1824 - 31 May - -	To complete the purchase from the present Duke of properties purchased by him of J. Pettifer, Thomas Higham, J. Church, J. Fisher's Trustees, Thomas Horton's Trustees, and Lord Maynard 5,450 – –	
	Taxed Costs 245 14 2	
„ 3 June - -	Cash balance remaining in Prizage Fund 4 5 10	
	5,700 – –	6,031 15 –
	4th June 1825, Consols remaining	166,615 – –
1825 - September -	To complete purchase from Scrivenor 5,838 12 –	
„ „ - -	Ditto - ditto - from the Duke of estates purchased by him from Collingridge, Grant, &c. 2,979 – –	
	Taxed Costs 297 5 8	
	Sum wanted 9,114 17 8	
	Produce of £. 10,000 Consols, sold this day 8,712 5 –	10,000 – –
	Remaining to be raised 402 12 8	
		156,615 – –
1827 - August - -	To complete the purchase of Abthorpe from Mr. Kirby's devisees 20,000 – –	
	Ditto - ditto - from Mr. Parkinson for allotments in the Whittlewood and Salcey Forests 3,560 – –	
	Ditto - ditto - from his Grace for land at Yardley 800 – –	
	24,360 – –	
	To make up deficiency of money raised by Stock sold to complete the purchase made by the Trustees in 1826 402 12 8	
	Taxed costs on the present occasion 637 5 8	
	Sum wanted 25,399 18 4	31,500 – –
	£. s. d.	
„ 7 August -	Balance of £. 31,500 Consols, sold this day 27,286 17 6	
	Sum wanted 25,399 18 4	
	Cash balance remaining in the Prizage Fund 1,886 19 2	
	Carried forward £.	125,115 – –

STATEMENT of Dealings with Prizage Fund, &c.—*continued.*

					CONSOLS.
					£. s. d.
		Brought forward - - -			125,115 - -
1827 - 31 August -		*To amount of Stock purchased with £. 1,886. 19. 2. cash balance in the Prizage Fund invested in the names of the First Lord of the Treasury, Lord Camden, Lord Lonsdale, and Lord Clarendon - - - - - - -			2,168 18 4
		Stock remaining in the Account - - - - -			127,283 18 4
		* This cash balance could not be invested with the other fund on account of the death of Mr. Harrison, one of the original trustees, the bank not allowing any purchases to be made where there is a death proved; the £. 2,168. 18. 4. stands therefore as a separate fund.			
			£. s. d.		
„	November	To complete the purchase from Mr. Whitlock	1,600 - -		
		Ditto - ditto - from Mr. Hall -	8,500 - -		
		Taxed costs - - - - - - - -	375 15 4		
			10,475 15 4	£. s. d.	
		Produce of £. 12,114. 7. 9. Consols, sold this day - - - - - - - - -	10,100 - -	12,114 7 9	
		Remaining to be raised -	375 15 4		
1828 - 10 May - -		Produce of £. 441. 8. 7. Consols, sold this day - - - - - - - - -	375 15 4	441 8 7	
					12,555 16 4
		Stock remaining in the Account - - - - -			114,728 2 -
				£. s. d.	
1829 -	September and October.	To complete the purchase from John Burt - - - -		4,800 - -	
		To complete the purchase from Mr. John Newman, after deducting £. 23. 2. from the original purchase-money of £. 2,750, for value of additional land tax discovered subsequent to the contract to be charged on the property - -		2,726 18 -	
		To paid Mr. Parkinson amount of purchase-money for allotments - - - - - - - - - - - -		1,772 3 6	
				9,299 1 6	
		Taxed Costs on these purchases - -		609 18 10	
				£. 9,909 - 4	
		£. s. d.	£. s. d.		
1829 - 26 September -		Produce of - - 5,444 3 8 Consols	4,872 11 -		
..	21 October -	„ - - 5,303 17 4 „	4,800 - -		
1830 - 11 February -		„ - - 253 2 1 „	232 4 6		
		† Stock sold - - 11,001 3 1 „	9,904 15 6		
		Cash on the account arising from balance on 3rd June 1824 - - - - -	4 5 10		
			9,909 1 4		
1833 -	February -	Now remaining on the Account - -	- 1 -		
			9,909 - 4		
		† Stock sold, as above - - - - - - - - - - - -			11,001 3 1
		Stock remaining - - - - - - - - -			103,726 18 11
		Carried forward - - - £.			103,726 18 11

STATEMENT of Dealings with Prizage Fund, &c.—*continued.*

			CONSOLS.
			£. s. d.
	Brought forward		103,726 18 11
1834 - 26 June -	Received by his Grace from the Commissioners acting under the Whittlewood and Salcey Forest Inclosure Acts of 5 Geo. 4, c. 99, and 6 Geo. 4, c. 132, for the surplus moneys arising from the sales of lands made for the purpose of paying the expenses of carrying the said Acts into execution, viz.:—	£. s. d.	
	Whittlewood - - - - - - - - -	176 16 -	
	Salcey Forest - - - - - - - - -	506 18 11	
		£. 683 14 11	
	This sum of £. 683. 14. 11., paid to the Duke's private account with Messrs. Drummond, and not invested on account of the high price of the funds, and there being no purchase eligible to be made at present: on a purchase this sum will be laid out.		
		£. s. d.	
1837 - August - -	The Duke of Grafton made three purchases, one from Messrs. Brown, for - - - - - - - - - -	1,600 - -	
	Another from Morgan's devisees for - - - - - -	700 - -	
	Another from Messrs. Webb for - - - - - - -	550 - -	
		2,850 - -	
	The Duke conveyed on the 25th July last the three Estates to the trustees of the Prizage Fund, and he was repaid - -	683 14 11	
	Due to the Duke - -	2,166 5 1	
	The Costs as taxed on that Conveyance -	283 13 9	
		2,449 18 10	
	Consols sold, 1st August 1837, which produced - - - -	2,287 10 -	2,500 - -
	Out of which the costs were paid, amounting to - - -	283 13 9	
		2,003 16 3	
	Sum due to the Duke, as above - - - - - - - -	2,166 5 1	
	Paid to him the balance of the sale of Stock, as above - -	2,003 16 3	
	Leaving due to the Duke, which must be raised and paid to him on the next purchase - - - - - - - - - -	162 8 10	
	Stock now remaining - - - - - - - - - - - - -		101,226 18 11
	But this included Stock standing to separate Account - - - - -		2,168 18 4
			99,058 - 7
1840 - - - -	Sold—		
	To complete the purchase from Attenborough's devisees, purchase money £. 8,130 Consols - - - - - - - - - - - - -		9,238 2 8
			89,819 17 11
1841 - 29 October -	To complete the purchase from Thomas Chambers of land at Blakesley, purchase money £. 750 Consols - - - - - - - - -		854 14 -
			88,965 3 11
- - 9 November -	To complete purchase from Richard Edward Sheppard of messuages or tenements and closes, and pieces or parcels of land or ground, situate in Stoke Bruern and Blakesley:—		
	Purchase money £. 11,950 Consols - - - - - - - -		13,426 19 5
			75,538 4 6
1842 - 5 September -	To pay the foregoing taxed costs, viz.:—	£. s. d.	
	Attenborough's purchase - - -	327 12 10	
	Sheppard and Chambers' purchase -	427 4 11	
	£. 754 17 9 Consols - -		813 18 -
			74,724 6 6
	By error - - - - - - - -		- 10 -
		£.	74,723 16 6
	Carried forward - - - £.		74,723 16 6

STATEMENT of Dealings with Prizage Fund, &c.—*continued.*

					CONSOLS.
					£. s. d.
			Brought forward - - -		74,723 16 6
1857 - 29 July - -	Sold—		£. s. d.		
	To complete the purchase from the Crown of part of the Forest of Whittlewood, viz. :—				
		£. s. d.			
	The above sum of £. 2,168. 18. 4. produced - - - - - -	1,973 14 3			
	Less Commission - - -	2 14 3			
			1,971 - -		
	£. 45,467. 18. 10. Consols, part of the Consols produced - - - -	74,723 16 6			
	Less Commission - -	41,375 16 8			
£. s. d.		56 16 8			
*45,467 18 10			41,319 - -		*46,467 18 10
1,000 - -			43,290 - -		28,255 17 8
£. 46,467 18 10	£. 1,000 Consols, further part £. 74,723. 16. 6. Consols retained for costs, and Mr. Hall's charges.				
	Note.—The £. 28,255. 17. 8. Consols, balance of the £. 74,723. 16. 6. Consols, transferred 20th July 1857 to the Lord High Treasurer or First Commissioner, &c.				
1858 - 14 January -	£. 710. 17. 2. Consols, part of £. 1,000 Consols retained as above, produced - - - - -		673 8 2		
			£. 43,963 8 2		
	Payments :				
		£. s. d.			
	Purchase Money - - - - -	43,000 - -			
	Costs - - - - - - - -	206 10 2			
1858 - 16 March - -	Mr. Hall's charges as to the exchange -	756 18 -			
			43,963 8 2		
1858 - - January -	Balance of £. 1,000 Consols transferred to trustees - - - - - -				289 2 10
1858 - 15 January -	Bought with £. 673 received from Lord Southampton on sale of Nicholas Wood and Stony Hill (part of Prizage Fund Estate) - - - - -				708 8 6
1859 - 5 April - -	Consols bought with £. 1,250 purchase money paid by the Crown for part of Salcey - - - - - - - - - - - - - - -				1,302 1 8
	Balance of Stock remaining - - - - -			£.	30,555 10 8

Appendix, No. 7.

PAPER handed in by Sir *Reginald Welby*, K.C.B.

1887.

THE PARLIAMENTARY TRUST OF HIS GRACE THE DUKE OF RICHMOND AND GORDON, K.G.

STATEMENT of CONSOLIDATED 3 PER CENT. BANK ANNUITIES, representing the Annuity of 19,000 *l.* funded or redeemed under the provisions of the Act of Parliament, 39 and 40 George III., c. 43, and of the Application of the Proceeds of Sale of such Consols in the Purchase of Lands, prepared by Messrs. *Davidson, Burch & Co.*

The total sum of Consols for which the annuity of 19,000 *l.* was funded or redeemed was 633,333 *l.* 6 *s.* 9 *d.* Stock, made up as follows, viz.:—

	£.	*s.*	*d.*
Purchased on the 27th November, 1801, as representing the redemption of the annual sum of 6,333 *l.* 6 *s.* 8 *d.*, part of the annuity of 19,000 *l.*	211,111	2	3
Purchased on the 14th November, 1809, as representing the redemption of the annual sum of 6,333 *l.* 6 *s.* 8 *d.*, further part of the said annuity of 19,000 *l.*	211,111	2	3
Purchased on the 15th July, 1824, as representing the redemption of the annual sum of 6,333 *l.* 6 *s.* 8 *d.*, the residue of the said annuity of 19,000 *l.*	211,111	2	3
TOTAL £.	633,333	6	9

By the Act of Parliament, 39 & 40 Geo. III., cap. 103, the Trustees were authorised to sell out certain portions of the said sum of 633,333 *l.* 6 *s.* 9 *d.* Consols, and invest the proceeds in the purchase of real estates to be settled, conveyed, and assured to the use of such persons and for such estates as the said annuity of 19,000 *l.* would have stood limited in case the same had not been funded and redeemed.

In exercise of the powers conferred by the last-mentioned Act of Parliament, the Trustees, at various times prior to the year 1837, sold out the aggregate sum of 485,434 *l.* 14 *s.* 7 *d.* Consols, and invested the proceeds of sale in the purchase of the following estates, which were conveyed to the uses corresponding to those affecting the annuity as prescribed by the Act of Parliament.

The Estates purchased consisted of the following particulars, viz.: —

Parishes.	Farms.	Arable Land.			Meadow Land.			Down Land.			Total.		
		A.	R.	P.	A.	R.	P.	A.	R.	P.	A.	R.	P.
Boxgrove, Westhampnett, East Lavant, Singleton, East Dean, Tangmere, Oving,	House called Goodwood House, with the lodges, outbuildings and appurtenances, park, lawns, gardens, and paddocks - - -	-		-	-		-	-		-	460	0	0
Eartham,	Goodwood Farm - -	-		-	-		-	-		-	1,113	2	18
Merston,	Woodcote Farm - -	302	0	28	11	0	38	-		-	313	1	26
Itchenor,	Westerton Farm - -	236	2	36	8	1	22	-		-	245	0	18
Birdham,	Old Place Farm - -	157	1	32	15	0	33	-		-	172	2	25
East Wittering,	Westhampnett Farm -	177	3	33	9	0	23	-		-	187	0	16
Earnley,	Strettington Farm -	135	0	16	23	2	23	-		-	158	2	39
Funtingdon,	Strettington Little Farm	170	0	38	9	0	4	-		-	179	1	2
Westbourne and West Stoke, all in the County of Sussex.	Land at Strettington -	37	3	37	1	3	17	-		-	39	3	14
	Tangmere Farm - -	217	2	12	55	0	17	10	1	22	283	0	11
	Tangmere Meadow -	-		-	10	0	17	-		-	10	0	17
	St. Mary's Farm - -	124	2	15	8	3	36	-		-	133	2	1
	Priory Farm - -	216	2	38	16	2	13	78	2	2	311	3	13
	Land, late Stamps -	101	0	35	12	1	26	54	3	0	168	1	21
	Warehead Farm - -	144	2	18	18	1	28	80	3	23	243	3	29
	Selhurst Park Farm -	397	2	6	30	0	20	482	3	28	910	2	14
	Droke Farm - -	221	2	23	22	3	5	552	0	15	796	2	3
	Stean Farm - -	265	2	2	22	0	0	687	0	2	974	2	4
	East Dean Manor Farm	354	1	21	15	1	24	380	3	28	750	2	33
	Charlton Farm - -	267	2	5	10	0	14	213	3	29	491	2	8
	East Lavant Manor Farm.	270	2	13	60	2	32	295	2	1	626	3	6
	Singleton Farm - -	252	2	22	26	3	12	505	1	33	784	3	27
	Old House Farm -	132	0	35	18	0	2	-		-	150	0	37
	Birdham Farm - -	58	2	18	1	2	12	-		-	60	0	30
	East Wittering Farm -	156	2	12	6	2	20	-		-	163	0	32
	Holden's Farm - -	63	0	17	7	3	32	-		-	71	0	9
	Adsdean Farm - -	208	2	2	2	0	0	105	3	22	316	1	24
	Funtington Farm -	163	1	3	29	2	10	-		-	192	3	13
	Stoke House, &c. -	44	1	19	126	3	27	-		-	171	1	6
	Stoke Farm - -	194	2	25	1	1	3	309	2	17	505	2	5
	Grove's Farm - -	183	3	0	3	3	0	-		-	187	2	0
	East Lavant Farm -	360	1	26	7	1	8	-		-	367	2	34
								Acres - - -			11,542	0	25
A piece or parcel of land called East Lake Field, situate in the Parish of South Bersted, in the County of Sussex, and fronting the new road from thence to Bognor - - -											11	1	36
A piece or parcel of land, with a messuage or dwelling-house, stable yard, gardens, and field, situate on the north part of the City of Chichester, and called the Gray Fryars -											10	0	26
								Total - - -			11,563	2	25

The original sum of 633,333 *l.* 6 *s.* 9 *d.* Consols became reduced by the sale of the 485,434 *l.* 14 *s.* 7 *d.* Stock, for the purpose of the above purchases, to the sum of 147,898 *l.* 12 *s.* 2 *d.* Consols.

Under the further powers conferred by the 1 Vict. c. 34, the above balance of Consols, viz., 147,898 *l.* 12 *s.* 2 *d.* Consols, was sold out prior to the year 1868, and the proceeds invested as to part in the purchase of further lands in the county of Sussex, and as to other part in the purchase of lands in the counties of Banffshire and Inverness-shire, in Scotland, the whole of the purchases in England being conveyed to the uses affecting the original annuity, and as to the lands purchased in Scotland in the form prescribed by the Act.

The following was the complete Schedule of the Sussex Estates purchased as above, and conveyed to the uses of the Trust, viz.: —

Parishes.	Farms, &c.	Arable Land.			Pasture Land.			Down and Wood Land.			Total.		
		A.	R.	P.	A.	R.	P.	A.	R.	P.	A.	R.	P.
Boxgrove, West Hampnett, East Lavant, Mid Lavant,	Goodwood House, with the outbuildings and appurtenances, park, lawn, gardens, and paddocks -	-		-	-		-	-		-	460	0	0
	Goodwood Farm -	756	1	9	450	1	31	3,107	1	8	4,314	0	8
West Stoke,	Warehead Farm -	419	0	9	50	1	21	185	0	32	654	2	22
Stoughton,	Priory Farm - -	330	1	35	17	0	38	-		-	347	2	33
Singleton,	East Hampnett Farm	192	0	12	81	3	15	-		-	273	3	27
East Dean,	Strettington Farm -	162	3	6	33	1	2	-		-	196	0	8
Eartham,	Selhurst Park Farm -	471	3	32	68	3	2	356	3	37	897	2	31
Tangmere,	Westerton and Old Place Farms.	377	0	28	38	0	7	-		-	415	0	35
Oving,													
Merston,	West Hampnett Farm	205	0	5	19	0	25	-		-	224	0	30
Barnham,	Woodcote Farm -	278	0	13	22	1	29	-		-	300	2	2
Birdham,	East Lavant Farm -	361	1	23	51	0	38	448	3	30	861	2	11
East Wittering,	East Lavant Manor Farm.	394	1	29	59	2	20	246	1	3	700	1	12
Felpham,													
South Bersted Sub-deanery,	Raughmere Farm -	240	1	23	39	1	3	-		-	279	2	26
	Broil Farm - -	86	2	27	5	2	15	-		-	92	1	2
Rumboldswhyke,	Oldwick and Stoke Farms.	442	1	6	94	0	18	291	2	8	827	3	32
Donington,													
St. Pancras, and	West Lavant Farm -	345	1	2	45	1	13	86	0	9	476	2	24
St. Peter-the-Less,	Langford Farm -	519	1	11	155	0	4	256	2	32	931	0	7
all in the said County of Sussex.	Land, Halnaker -	18	2	39	2	1	15	3	1	30	24	2	4
	Land, Boxgrove -	8	2	21	8	3	0	-		-	17	1	21
	Land, Boxgrove -	-		-	1	2	3	-		-	1	2	3
	Land, Crockerhill -	-		-	4	2	7	-		-	4	2	7
	Land, Halnaker -	-		-	10	1	24	-		-	10	1	24
	Land, Halnaker -	-		-	2	2	24	-		-	2	2	24
	Land, Waterbeach -	-		-	10	0	0	-		-	10	0	0
	Land, Strettington -	-		-	8	0	33	-		-	8	0	33
	Land, Halnaker -	-		-	2	0	1	-		-	2	0	1
	Land, Halnaker -	-		-	5	1	38	-		-	5	1	38
	Land, Maudling -	-		-	53	1	13	-		-	53	1	13
	Land, Westerton -	-		-	2	0	27	-		-	2	0	27
	Land, East Lavant -	-		-	2	1	0	-		-	2	1	0
	Land, Mid Lavant -	-		-	77	1	9	-		-	77	1	9

Parishes.	Farms, &c.	Arable Land.			Pasture Land.			Down and Wood Land.			Total.		
		A.	R.	P.	A.	R.	P.	A.	R.	P.	A.	R.	P.
	Land, East Lavant -	-		-	3	2	31	-		-	3	2	31
	Land, Mid Lavant -	-		-	6	3	35	-		-	6	3	35
	Stoke House, &c. -	45	0	37	61	2	6	24	1	7	131	0	10
	Singleton Farm -	347	0	18	27	2	36	667	3	3	1,042	2	17
	Land, Charlton -	15	2	14	1	1	17	-		-	16	3	31
	Charlton Farm - -	389	3	22	42	1	37	269	0	15	701	1	34
	Land, Singleton -	-		-	1	3	35	-		-	1	3	35
	Land, Charlton - -	-		-	7	1	24	-		-	7	1	24
	Stein Farm - -	270	3	29	20	0	14	662	1	10	953	1	13
	East Dean Farm -	235	0	11	8	2	27	570	0	34	813	3	32
	East Dean Manor Farm.	350	3	19	50	0	15	748	2	37	1,149	2	31
	Tangmere Farm -	219	1	35	60	2	24	-		-	280	0	19
	Decoy Farm - -	-		-	97	2	13	-		-	97	2	13
	Land, Tangmere -	-		-	9	0	17	-		-	9	0	17
	Drayton Farm - -	18	2	4	84	0	25	-		-	102	2	29
	Grove's Farm - -	186	1	39	8	3	19	-		-	195	1	18
	Drayton Farm - -	151	1	8	48	1	8	-		-	199	2	16
	Land, Portfield, &c. -	10	3	12	6	3	10	-		-	17	2	22
	Kingsham Farm -	70	2	33	24	3	32	-		-	95	2	25
	Spitalfields Farm -	22	1	9	3	0	0	-		-	25	1	9
	Land, Chichester -	-		-	9	1	27	-		-	9	1	27
	Barnham Farm -	165	2	9	4	0	1	-		-	169	2	10
	Birdham Farm - -	189	2	11	11	0	33	-		-	200	3	4
	East Wittering Farm -	230	0	26	9	0	37	-		-	239	1	23
	Priory Park and Garden - - -	-		-	10	0	4	-		-	10	0	4
	Felpham Farm - -	220	1	22	32	1	8	-		-	252	2	30
								Acres -	-	-	19,209	0	33

The lands purchased in Scotland consisted of,—

The lands and barony of Strathavon, in the parish of Kirkmichael, Banffshire.

Portions of the lands and barony of Auchindown, and estate of Glenrinnes, in the parishes of Cabrach, Mortlach, and Aberlone, Banffshire.

The barony of Kincardine, in Inverness-shire.

In 1850 the then Duke of Richmond, by virtue of the powers conferred upon heirs of entail in Scotland by the Act of 11 & 12 Vict. c. 36, with the necessary consents, and under the authority of the Court of Session, resettled his Grace's estates in Scotland, including the properties so purchased in Scotland as above mentioned.

Upon his Grace the present Duke of Richmond and Gordon succeeding to the Scotch estates on his father's death, he completed his title to the lands as heir of entail to his father by a Crown Charter of Resignation of the 13th April, 1861.

The effect of these deeds was to bar the entail and resettle the Scotch estates, including the small proportion of property in Scotland purchased under the Parliamentary Trust, and the entail was thereby extended.

Appendix, No. 8.

PAPER handed in by Sir *Reginald Welby*, K.C.B.

ANNUITY OF £. 19,000 TO THE DUKE OF RICHMOND.

THE following is a Copy of the LETTERS PATENT of 18th December, 1676, referred to on page 2 of the Parliamentary Paper, No. 80, of 1881, granting to *Charles*, Duke of *Richmond*, 12*d.* per Chaldron on COALS shipped at *Newcastle*:—

CHARLES THE SECOND by the Grace of God King of England Scotland France & Ireland Defender of the Ffaith To ALL TO WHOM these presents shall come Greeting WHEREAS the Governors Stewards & Brethren of the ffellowship of the Hostemen of the Town of Newcastle upon Tyne in the County of Newcastle upon Tyne by their Writing sealed as well with their Common Seal as with the Common Seal of the Mayor and Burgesses of the s^d^ Town of Newcastle upon Tyne bearing date the 8th day of April in the two & fortieth year of the Reign of the late Queen Elizabeth Did for them and their successors give and grant unto the said late Queen her Heirs & Successors To the use of the s^d^ late Queen her Heirs & Successors for ever for each & every & for such & so many Chaldrons of Sea Coals Stone Coals or Pit Coals of the Water Measure of Newcastle upon Tyne afores^d^ as at any time or times thenafter should be sold shipped carried or vended by any person or persons whatsoever forth or out of the Haven or River of Tyne belongs to the aforesaid Town of Newcastle to be spent within the Realm & not transported beyond the seas the several sums of Twelve pence of lawful money of England to be paid by the said Governors Stewards & Brethren & their successors unto the s^d^ late Queen her Heirs and Successors before any Ship or other Vessels wherein any such Coals sho^d^ be Laden sho^d^ at any time or times thenafter be cleared or discharged forth of the Customhouse of the s^d^ late Queen in the s^d^ Town of Newcastle—Coals sold & conveyed from the s^d^ port of Newcastle to Hartlepoole to be employed & spent in & about such Salt panns as then were in Hartlepool afs^d^ & appertaining to the Lord Lumley his Heirs & Ass^s^ or any of the Burgesses of the said Town of Newcastle only excepted AND WHEREAS in & by one Indre. bearing date the nine & twentieth day of March in the 12th year of our Reign made or ment^d^ to be made between us of the one part & John Visc^t^ Mordant Sir Tho^s^ Peyton Bart. Sir Jeremiah Whichcott Bart. then Jeremiah Whichcott Esq^r^ of the other part RECITING as therein is recited and for the Considerations therein expressed we have demised and to farm letten unto the s^d^ late Visc^t^ the s^d^ Sir Tho^s^ Peyton & the s^d^ Jeremy Whichcott the several sums of Twelve pence due or payable to us our Heirs or Successors for or in respect of the s^d^ recited Grant made to the s^d^ late Queen for each & every & for such & so many Chaldron of Sea Coals Stone Coals or Pitt Coals of the Water Measure of Newcastle upon Tyne afores^d^ as at any time or times from & after the commencement of the s^d^ Indenture during the term of years therein ment^d^ sho^d^ be sold shipped carried or vented by any person or persons whats^r^ forth or out of the River or Haven of Tyne belonging to the afs^d^ Town of Newcastle to be spent within the Realm & not transported beyond the seas the s^d^ several sums of Twelve pence of lawful money of England to be paid by the s^d^ Governors Stewards & Brethren of the ffellowship of Hostmen of the Town of Newcastle upon Tyne and their successors before any ship or other vessel wherein any such Coals sho^d^ be Laden should at any time or times thenafter during the term of years thereby granted be cleared or discharged forth of the Customhouse of us our Heirs or Successors in the s^d^ Town of Newcastle Except as in & by the said recited Grant made to the said Queen Elizabeth is Excepted TO HAVE hold levy receive & enjoy the said several sums of 12*d.* unto the s^d^ late Viscount Mordant Sir Tho^s^ Peyton & Sir Jeremy Whichcott their Exo^rs^. Admo^rs^. and assigns for the term of one & thirty years to be accounted from the ffeast day of the Birth of our Lord God which was in the year of our Lord 1660 fully to be complete & ended at & under the yearly Rent or sum of £. 1838. 12. 6. of lawful money of England payable as by the s^d^ Indenture amongst other things may appear AND WHEREAS we by Letters Patent under the Great Seal of England bearing date at Westm^r^ the six & twentieth day of November in the 13th year of our Reign for the considerations therein ment^d^ Did give and grant unto our Trusty & well beloved serv^t^ Sir Thomas Clarges Kn^t^ his Heirs & Ass^s^ for ever One Annuity or yearly pension of £. 500 of lawful money of England

to commence & be accompted & paid from the Ffeast of S^{t} Michael the Archangel which was in the 12th year of our Reign & from thenceforth yearly & every year to be had received perceived & taken by the s^{d} Sir Tho^{s} Clarges his Heirs and Ass^{s} for ever out of the rents issues profits sums of money perquisites Emoluments half yearly & other payments reserved & arising or accruing or coming or that thereafter should or might be reserved or arise accrue or become due & payable to us or our Heirs or Successors out of or for or in respect of the afores^{d} Duty or Composition of 12 *d.* by the Chaldron for Sea Coals Stone Coal & Pitt Coal of the Water Measure of Newcastle upon Tyne afores^{d} at two usual ffeasts in the year (that is to say) at the Ffeasts of the Birth of our Lord God & S^{t} John the Baptist by even & equal portions And We Did by the s^{d} Letters Patent authorize & require the Ffarmers Receivers & Collectors for the time being of the Duty or Composition of 12 *d.* the Chaldron for Sea Coals Stone Coals or Pitt Coals of the Water Measure of Newcastle upon Tyne afores^{d} That out of the rents issues and profits reserved or to be reserved or payable or to become due or payable to us our Heirs or Successors for or in respect of the afs^{d} Duty or Composit^{n} of 12 *d.* the Chaldron for Sea Coals Stone Coals or Pitt Coals of the Water Measure of Newcastle upon Tyne they and every of them should from time to time & at all times for ever thereafter well and truly pay or cause to be paid the s^{d} Annuity or yearly pension of Ffive hundred pounds unto the s^{d} Sir Thomas Clarges his Heirs and Ass^{s} for ever at the Ffeasts & Days of payment afores^{d} & the arrears thereof without any other warrant to be sued for had or obtained in that behalf And whereas we by Indenture bearing date the day of in the seven and twentieth year of our Reign for the Considerations therein expressed Did demise grant & to farm let unto Eliz. Viscountess Mordant the sum of 4 *d.* being one third part of the s^{d} several sums of 12 *d.* due or payable or to be due or payable to us our Heirs or Successors for or in respect of the s^{d} recited Grant made unto the s^{d} late Queen for each & every & for such & so many Chaldrons of Sea Coals Stone Coals or Pitt Coals of the Water Measure of Newcastle upon Tyne afores^{d} as at any time or times from & after the commencem^{t} of the last recited Indenture during the term of years thereinafter mentioned should be sold shipped carried or vended by any person or persons whatso^{r} forth or out of the River or Haven of Tyne belonging to the afores^{d} Town of Newcastle to be spent within the Realm & not transported beyond the seas the s^{d} sum of 4 *d.* part of the s^{d} sev^{l} sums of 12 *d.* of lawful money of England to be paid by the s^{d} Governors Stewards & Brethren of the Ffellowship of the Hoastmen of the Town of Newcastle upon Tyne & their Successors before any ship or other vessel wherein any such Coals sho^{d} be laden at any time or times thenafter during the term of years thereby granted be cleared or discharged forth of the Custom house of us our Heirs or Successors in the s^{d} Town of Newcastle Except as in & by the before recited Grant made to the s^{d} late Queen Eliz. is excepted To have hold take levy receive & enjoy the s^{d} sum of 4 *d.* part of the s^{d} sev^{l} sums of 12 *d.* due or payable or to be due and payable to us our Heirs and Successors for each & every & for such & so many Chaldron of Sea Coals, Stone Coals & Pit Coals of the Water Measure of Newcastle upon Tyne afs^{d} which should be sold shipped carried or vended by any person or persons whatsoever forth or out of the Haven or River of Tyne belonging to the afores^{d} Town of Newcastle to be spent within the Realm and not transported beyond the Seas (Except before Excepted) unto the s^{d} Elizth Viscountess Mordant her Exors. Admors. & Ass^{s} from the end expiration or other sooner determinat^{n} of the s^{d} Term & Estate made & granted to the s^{d} Viscount Mordant, Sir Tho^{s} Peyton, and Sir Jeremiah Whichcott in and by the said first recited Indenture as aforesaid for and during the Term of 31 years from thence next ensuing fully to be compleat and ended at and under the yearly rent or sum of £. 612. 17. 6. of lawful money of England payable as by the said Indenture (relation being thereunto had) may more fully appear Now Know Ye that we for the increase of the Revenue and the better support of the Honor and Dignity of our Right Trusty & Right entirely beloved son Charles Duke of Richmond & Lenox & the Heirs of his Body to be begotten and for want of such Issue for the better support of the Honor & Dignity of our Right Trusty & Right entirely beloved Cousin Louisa Dutchess of Portsmouth and the Heirs of her body and for divers other good Causes and Considerations us hereunto especially moving of our especial Grace certain knowledge and mere motion Have given and granted And by these presents for us our Heirs and Successors Do give and grant unto the said Charles Duke of Richmond and Lenox All those the several sums of 12 *d.* of lawful money of England for each & every & for such & so many Chaldron of Sea Coals Stone Coals or Pitt Coals of the Water Measure of Newcastle upon Tyne which at any time hereafter shall be sold shipped carried or vended by any pson or psons whats^{r} forth or out of the River or Haven of Tyne belong^{s} to the afs^{d} Town of Newcastle to be spent in this our Kingdom of England & not transported bey^{d} the Seas (Except before excepted) And also the s^{d} Rent or yrly sum of £. 1838. 12. 6. due & payable unto us our Heirs & Successors upon the s^{d} demise made of the s^{d} duty unto the said John Visc^{t} Mordant Sir Tho^{s} Peyton & S^{r} Jerem. Whichcott. As also the s^{d} yearly rent or sum of £. 612. 17. 6. which will be due & payable unto us our Heirs & Successors Upon or by virtue of the s^{d} demise made unto the said Eliz. Viscountess Mordant And the revõn & revõns rem^{r} & rem^{rs} of the said duty of 12 *d.* ꝑ Chaldron And all o^{r} rents & sums of Money yrly & o^{r} profits reserved or payable upon any other demise & Grant made of the s^{d} duty of 12 *d.* per Chaldron or any p^{t} thereof to any person or persons whats^{r} or otherwise arising or payable for or in respect of the s^{d} duty or any part

or

or parts thereof" To have hold & enjoy the said duty or sum of 12*d.* due & payable for each & every and such and so many Chald^{n} of Sea Coals Stone Coals or Pitt Coals afs^{d} as shall be sold shipped carried or vended from or out of the Port or River of Tyne afores^{d} And the Rev^{n} & revõns thereof & the s^{d} sev^{l} yrly rents or sums of £. 1838. 12*s.* 6*d.* & £. 612. 17*s.* 6*d.* and all other the prem. hereinbefore ment^{d} & int^{d} to be hereby granted with their appurts unto the said Cha^{s} Duke of Richmond & Lenox & the Heirs of his Body begotten or to be begotten To the proper use & behoof of him the s^{d} Cha^{s} Duke of Richmond & Lenox & the Heirs of his Body lawfully gotten or to be begotten subj^{t} nevertheless & payable unto & charged & chargeable with the paym^{t} of the s^{d} yearly sum of £. 500. to the s^{d} S^{r} Tho^{s} Clarges his Heirs & ass^{s} according to the purport & intent of the s^{d} Letters Patent or Grant to him thereof made as afs^{d} Yielding & paying therefore yearly to us our Heirs & Successors the yearly Rent or sum of £. 1. 6*s.* 8*d.* of lawful Money of England on the feast of S^{t} Michael the Archangel only And know ye further that we for the consõns & of our more abundant Grace cert^{n} knowledge & mere mõcon have given & granted & by these presents for us our Heirs & Successors Do give and grant to our s^{d} Right Trusty & Right entirely beloved Cousin Louisa Dutchess of Portsmouth Mother of the s^{d} Cha^{s} Duke of Richmond & Lenox the s^{d} sev^{l} sums of 12*d.* due & payable for each & every and so many Chaldron of Sea Coals Stone Coals & Pitt Coals of Water Measure of Newcastle upon Tyne afs^{d} as at any time or times after the death of the s^{d} Cha^{s} Duke of Richmond & Lenox with^{t} Heirs of his Body lawfully begotten or to be begotten shall be sold shipped Carried or vended by any person or persons whats^{r} from or out of the River or Port of Tyne belonging to the said Town of Newcastle to be spent in this our Kingdom of England not transported beyond the Seas (Except before excepted) And also the s^{d} Rent or Yearly sum of £. 1838. 12*s.* 6*d.* due & payable unto us our Heirs & Successors upon the said demise made of the s^{d} duty unto the said John Visc^{t} Mordant Sir Thomas Peyton and Sir Jeremiah Whichcott As also the s^{d} Yearly rent or sum of £. 612. 17*s.* 6*d.* which will be due & payable unto us our Heirs & Successors Upon or by virtue of the said Demise made unto the said Eliz Viscountess Mordant And the Rev^{n} & Rev^{ns} Rem^{r} & Rem^{rs} of the s^{d} duty of 12*d.* ℔ Chaldron & all other Rents sums of Money Yearly & other Rents sums of Money yearly & other profits reserved or payable upon any o^{r} demise & Grant made of the said duty of 12*d.* ℔ Chaldron or any part thereof to any person or persons whstsoever or otherwise arising or payable for or in respect of the s^{d} duty or any part or parts thereof To have hold & enjoy the s^{d} duty or sum of 12*d.* ℔ Chaldron due & payable for each & every and such so many Chald^{n} of Sea Coals Stone Coals or Pitt Coals afores^{d} as shall be sold shipped or carried or vended from or out of the port or River of Tyne as afores^{d} And the Rev^{n} & Rev^{ns} thereof And the s^{d} several yearly rents or sums of £. 1838. 12*s.* 6*d.* & £. 612. 17*s.* 6*d.* & all o^{r} the premes hereinbefore ment^{d} & intended to be hereby granted with their appurts unto the s^{d} Louisa Dutchess of Portsmouth & the Heirs of Her Body lawfully begotten or to be begotten To the only proper Use of the s^{d} Louisa Dutchess of Portsmouth and the Heirs of Her Body lawfully begotten or to be begotten as afores^{d} And also subject & liable unto & charged & chargeable with the payment of the s^{d} Yearly sum of £. 500 to the said Sir Thomas Clarges his Heirs or assigns according to the purport & intent of the s^{d} Letters Patents or Grant to him thereof made as afores^{d} Yielding & paying therefore Yearly to us our Heirs & Successors from the commencement & during the continuance of the said Estate granted to the s^{d} Dutchess & the Heirs of her Body the Yearly rent of £. 1. 6*s.* 8*d.* of lawful Money of England at the ffeast of Saint Michael the Archangel only And moreover we do hereby charge & command that none of the Officers Ministers or Servants wheresoever they be or shall be of us our Heirs and Successors do make or deliver any Warrant or Warrants to any person or persons for the unloading or landing of any of the s^{d} Coals in any of the Ports in the Realm of England or dominion of Wales or Town or Port of Berwick or any the Members thereof unless such of the said Officers Ministers or Servants who shall make give or deliver any such Warrant shall first receive a docquett or certificate thereof from the port or place where the same were laden and that none of the said Officers Ministers or Servants shall Wittingly or Willingly conceal withdraw deny withhold or diminish any part of the said duty or sum of 12*d.* by these presents mentioned to be granted or make any Cert^{e} that any Coals have been landed at any port or place where the same were not landed or omit the making of just and true entries or that any more or greater quantity of Coals have been landed or delivered at any port or place than in truth were delivered there or consent unto or willingly suffer to be done committed or omitted any other act or thing in or apper^{g} to their several and respective offices and places which shall or may tend or be to the hindrance loss or damage of the s^{d} Charles Duke of Richmond and Lenox or the Heirs of His Body or to the said Louisa Dutchess of Portsmouth and the Heirs of her Body in or concerning the said granted Premes And we do for us our Heirs & Successors of our special grace certain knowledge & mere motion give and grant unto the s^{d} Cha^{s} Duke of Richmond & Lenox & the Heirs of His Body and for want of such Issue to the s^{d} Eliz Dutchess of Portsmouth & the Heirs of her Body & to all & every person & persons which by them or any of them shall be deputed or ass^{d} full power liberty & authority to be present and attendant and to have place in the Custom House within the said Port of Newcastle & the Creeks and Members thereof where any lading or carrying of any Sea Coals Stone Coals or Pitt Coals shall happen to be and to have free access unto the s^{d} Customhouse & to all Books Registers

Bonds & other things whatsover concern^{g} any of the s^{d} Coals made kept or preserved or to be made kept or preserved by any Customer Controller Surveyor or any other officer of the s^{d} Ports Creeks or Members or any of them or by the Coal Meeters of London or any of them or by the Clerks of the Town Chamber of Newcastle or by the Surveyor Wardens Assist^{t} & fellows of the Society of Coal Merchants trading to Newcastle or by any other person or persons whatsoever in the presence of such person or persons to whom the Charge and Custody of such Books Registers and Writings doth or shall belong or some of them and from time to time at their free Will and pleasure to take Notes and Copies out of the same Books Registers Bonds or Writings of any thing touching the premises or any of them & to be present with all and every the Customers Collectors Controllers Serchers Waiters or other Officers and Ministers having a Charge within the said Port of London and Newcastle and the Creeks & Members of the same for and concerning the said Duty of twelve pence and to be provide and take order for or concerning the better enjoying of the Benefits profits and Commodities of the premises before by these presents mentioned to be granted at the time and place where the s^{d} Officers or Ministers or any of them shall by reason of any of their s^{d} several places and Offices have occasion or Authority to view search or see AND ALSO in every such place to see provide and use such reasonable Ways orders and means whereby the s^{d} Duty may be justly and truly answered and paid without any ffraud concealm^{t} or diminution thereof AND ALSO to make entries compõsons and agreem^{ts} for the same & all other acts and things that to the Offices of any Customer Collector Searcher Surveyor or any other Officer & every or any of them within the s^{d} port & all & every the Creekes & Members belong^{g} to the same Doth or shall appertain to be done for or concern^{g} the s^{d} Duty before by these presents mentioned to be granted and to take and Collect the afs^{d} Duty as well at and by the Hands of all & every owner and Owners of the same Coals and every of their ffactors Deputies or Serv^{ts} or of any other person or persons Shipping Carry^{g} or Convey^{g} of the s^{d} Coals out of the s^{d} Port of Newcastle or from or out of any of the s^{d} Creekes or Members within the Limits or Jurisdictions of the said port of Newcastle to be spent within the Realm of England or the Town of Berwick & not transported beyond the Seas AND ALSO at & by the Hands of the Customers Collectors ffitters & all or Officer & Officers of & in the s^{d} port places & Creekes for the time being with^{t} the lett interruption of any Customer Controller Collectors or Searcher Waiter or o^{r} Officers or Ministers of us our Heirs or Successors or any of or in the s^{d} port places or Creekes or of any o^{r} whats^{r} AND FURTHER for the more Surety of the s^{d} Duty or sum of 12 *d.* in and by these presents granted We for us our Heirs & Successors Do by these presents charge prohibit & forbid all & every person & persons as well aliens or Strangers as Denizons or Englishmen that neither they nor or any of them do Ship laide or attempt presume or adventure to Ship laid ffreight convey or carry out of the s^{d} port of Newcastle or any the Creekes or Members belong^{g} to the same any of the s^{d} kinds or sorts of Coals to be spent within the Realm and not transported beyond the Seas before or until such time as the s^{d} Duty or sum of 12 *d.* before by these pres^{ts} ment^{d} to be granted as afsd be fully & wholly satisfied & paid upon such fforfeitures pains penalties & punishm^{ts} as by any Laws Statutes or Ordinances of this Realm can or may be inflicted upon such Offenders and that no Customer Collector Controller or o^{r} Officer make any Entry or deliver any Cocquett of for or concern^{g} the lad^{g} or ship^{g} of any of the s^{d} Coals with^{t} the consent of the person or psõns that ought to rẽce the s^{d} Duty or some of their Deputies Agents or ffactors thereunto first had & obt^{d} upon the pains and penalties afsd AND we do give & we do give and grant unto the s^{d} Cha^{s} Duke of Richmond & Lenox & the Heirs of his Body & for want of such Issue To the s^{d} Louisa Dutchess of Portsmouth & the Heirs of her Body & every of them resp̃ly full power Liberty and Authority in the name of us our Heirs and Successors or in their own nrme or names at any of their pleasures to implead sue & prosecute all & every such psõn & psõns their Heirs Exõrs Admõrs & Ass^{s} & every or any of them as at any time or times shall or may by any means be found to be indebted chargeable or answerable to the s^{d} Grantees or any of them for or by reason of the s^{d} Duty or any part or parcel of the same in the Court of Exchequer or any other Court of Record what^{sr} AND FURTHER to do make & prosecute concern^{g} the same in the name of us our Heirs or Successors in such & the like manner & form as we our Heirs or Successors sho^{d} or might have done if the same had not by these presents been granted and to the end that the s^{d} Duty hereby granted may be well and truly ans^{d} paid our Will & pleasure is & we do for us our Heirs and Successors Grant by these pres^{ts} that the Deputies Serv^{ts} and ffactors of the s^{d} Grantees resp̃ly shall and may from time to time as well by night as by day by themselves or any of them taking with them or any of them for his or their Assistant in that behalf our Searcher there or any other our Officers authorized in that behalf if any such be then abiding in the s^{d} port and in lawful convent and reasonable manner to go on board view search and Survey any Ship Vessel or Bottom riding or being within the same port of Newcastle or any Member thereof to see if there be any such Coals whereof the Duty shall not have been well and truly answered and paid And all such quantity or quantities of the said kinds or sorts of Coals or any of them as shall be found whereof the said Duty sum and sums of money shall not before that time be answered or paid in lawful manner to seize & take the one half to be to the use of us our Heirs or Successors and the o^{r} half thereof to be to the use & behoof of the psõn & psõns to whom the s^{d} duty shall for the time being belong AND we do for us our Heirs & Successors Will & Grant by these

these Presents that the High Treasurer of England Commissrs of the Treasury Chancellor Undertreasurer & Barons of the sd Exchequer for the time being or the more part of them by force of these Presents or the Inrollmt thereof at all & every time & times upon request in that behalf shall and may make & direct as much as by the Law they may under the Seal of the sd Exchequer one or more sufficient writs Close or Patent unto every or any such of the Customers Collectors or Controllers of us our Heirs or Successors in the afsd Port of Newcastle for the time being as shall be desired commanding & streightly charging them the sd Customers Collectors Controllers & every of them that they nor any of them shall make any Entry of any the sd kinds or sorts of Coals or take any Custom or Subsidy or make any discharge or Agreemt for the same other then of those quantity & quantities of the sd sorts or kinds of Coals afsd whereof the sd Duty Sum or Sums of Money before by these Presents mentd to be demised & granted shall be then truly Ansd & paid accords to the true intent & meaning of these Presents. And furthermore to the end that all & every such person & persons as shall be from time to time assignd deputed & appointed to the Exercise & Execution of these Presents or any part thereof shall or may the better & more quietly attend & supply the same without any let trouble or hinderance in that behalf. We do for us our Heirs & Successors Will & Grant & also streightly charge & command that all & every person & persons whatsr which from time shall be assigned deputed or appointed in or about to or for the exercise or execution of the premes or any of them shall be clearly & freely exonerated & discharged of & from all & all manner of Offices & Services whatsr to be done or executed within the sd Town or Port of Newcastle or any of the Creekes or Members of the same where such person or persons shall be assigned deputed or appointed to serve or attend in any other place whatsr during such & so long time as they and every of them shall personally attend & be necessarily without fraud or Covining employed in or about the exercise of these presents & that during all the sd time of their personal & necessary attendance as is afsd they nor any of them shall in anywise be enforced constrained or charged to bear execute or do any other Office or Service whatsoever within the sd Town or Port of Newcastle or within any the Creekes or Members of the same either for us our Heirs or Successors or in any other place or places whatsoever so as there be not above two Persons at any one time. And we do for us our Heirs & Successors of our special grace certain knowledge & mere Motion declare & grant that if at any time any doubt shall be conceived concerns the validity or strength of this our Grant of the Premes or of any part thereof that then upon Petition in that behalf & upon Certificate of the Atty General for the time being concerns any defects & imperfectns We our Heirs or Successors will make & give such further Assurance & perfect Grant of all & singular the sd Premes before in and by these Presents mentd or intended to be granted according to the tenor purport and true meaning of these Presents as by the Atty General of us our Heirs or Successors for the time being shall be in that behalf reasonably advised. And we do also declare direct & appoint that as well all & every the Officers & Ministers which shall have any Office or Authority from or under the Jurisdiction of the Lord High Admiral of England for the time being & also all & every the Customers Collectors Waiters Surveyors Searchers Water Bailiffs & other Officers of us our Heirs & Successors within the sd Port of Newcastle or any the Creekes & Members of the same & every of them shall from time to time be aiding & assisting to the sd Deputies Factors & Servts in all & singular the Premes for the most & best benefit of the sd Grantees accords to the true intent & means of these Presents in as beneficial manner as they & every of them shod or ought to have been or done to us our Heirs & Successors if these Presents had not been had or made & our will & pleasure is that the said High Treasurer Lord Commissioners of our Treasury Chancellor or Undertreasurer & Barons of the Exchequer for the time being or any three or more of them shall have full Power & Authority to make forth & award under the Seal of the Exchequer such & so many Writs of Assistance as shall be thought meet. And these Presents or the Inrollmt thereof shall be a sufficient Warrant and Discharge in that behalf. And of our more especial grace certain knowledge & mere motion we do for us our Heirs & Successors Grant that these Presents & every Clause Article & Sentence therein contd shall be good available & effectual & shall be expounded deemed adjudged and taken to be good available & effectual to all intents & purposes accords to the tenor effect & true meaning hereof any Law Statute Usage Prohibition Restraint Proclamt or other thing whatsoever to the Contrary anywise notwithstands. And notwithstands the misnaming misreciting or not reciting any of the Premes hereby granted or mentd to be granted or of any part or Parcel of them or any of them. And notwithstands the not reciting misreciting misnaming or not naming of any demise or grant of the Premes or any parcel thereof made being of record or not of record. And notwithstands the not reciting or misreciting of the afsd Grants of the Premes yet in being or of any other Grants or Demises thereof. And notwithstands the not finding any Office or Offices Inquisitn or Inquisitns of or concerning the Premes whereby our Title of & in the Premes or any part thereof ought to have been found before the making hereof. And notwithstands any defect in the certainty or computn or Declaratn of the true Yearly Value of the Premes or of any part thereof. And notwithstands any other defect in not naming or misnaming or not right naming of the Tenants Farmers or Occupiers of the Premes or any parcel thereof. And notwithstanding any misrecital or not true ments in these presents of our Estate of or in the premises or any part thereof or any other misreciting or misnaming not recital or not naming whatsoever. And notwithstands the Statute made in the Parliament of Henry the 6th late King of England & Published in the 18th Year of the Reign or any other

Acts or Statutes whatsoever. And notwithstandg any other defects in not naming or not specifying or not rightly naming or specifying of the natures kinds qualities or quantities of the Premes or any part thereof. PROVIDED ALWAYS & our will & pleasure is & we do hereby for us our Heirs & Successors direct & appoint that the sd yearly Sum of £. 500 shall continue & be payable & paid to the sd Sir Thomas Clarges his Heirs & Assns in whose hands soever the sd Duty or the Rents or Profits thereof shall from time to time remain or be accordg to the purport of this sd Grant and the dirons & Authorities thereby given any thing hereinbefore contd to the contrary notwithstandg. ALTHOUGH express mention of the true yearly value or certainty of the Premes or of any of them or of any other Gifts or Grants by us or by any of our Progenitors or Predecessors heretofore made to the aforesd Chas. Duke of Richmond & Lenox & Louisa Dutchess of Portsmouth by these Presents is not made or any Statute Act Ordinance Provision Proclamatn or Restrictn to the contrary heretofore had made published ordained or provided or any other Cause Matter or thing whatsoever to the contrary thereof in anywise notwithstanding. IN WITNESS whereof we have caused these our Letters to be made Patents. WITNESS ourself at Westminster the 18th day of Decr in the nine and twentieth Year of our Reign. By Writ of Privy Seal. PIGOTT.

Appendix, No. 9.

PAPER handed in by Sir *Reginald Welby*, K.C.B.

PENDRELL PENSION.

THIS pension consists of a considerable number of Fee Farm Rents formerly payable to the Crown, but granted by Letters Patent of the 24th of July, 27th Car. II., to Sir Walter Wrotesley, Bart., Richard Congrave, and John Gifford, Esquires, in trust for—

(As to £. 100 per annum) Mary, Widow of Richard Pendrell and Richard Pendrell's heirs ;

(As to £. 100 per annum) William Pendrell and his heirs ;

(As to 100 marks per annum) John Pendrell and his heirs ;

(As to 100 marks per annum) Humfry Pendrell and his heirs ;

(As to 100 marks per annum) George Pendrell and his heirs ;

(As to £. 50 per annum) Elizabeth Yates and her heirs ;

with benefit of survivorship to the others on failure of heirs of any one of the beneficiaries, and with reversion to the Crown on failure of all issue.

The Treasury ascertained in 1869 that Mr. Walter Peter Gifford, the then owner of Chillington, was the representative of the survivor of the original Trustees, and that Mr. George Robinson of Whiston, Shiffnall, then acted as receiver of the rents in question. The Treasury have reason to believe that in 1869 the recipients were in number about twenty, and that there was then no probability of any failure of heirs.

The following is a copy of the Letters Patent of the 24th of July of 27th Car. II. referred to above, viz. :—

QUINTA PARS PATEN DE ANNO REG CAROLI SECUNDI VICESIMO SEPTIMO.

D Con Waltero Wrotesley Bar @ al

(13)
Sir Walher Wrottesley Bart
Richard Congrave & John Gifford } Esqrs

CHARLES THE SECOND by the Grace of God &c To all to whom these Presents shall come Greeting Know ye That We for diverse good causes and considerations us hereunto especially moving of Our especial grace certaine knowledge and meere mōcon Have given and granted and by these Presents for us our heires and successors Doe give and grant unto our trusty and well beloved Sir Walter Wrotesley Barronett Richard Congrave and John Gifford Esqrs the severall Annuall yearely Rent Tenths Penc̄ons and Sumes of Money hereinafter menconed (that is to say) All that Free or other yearly rent or Sume of £. 5. 16. 8. issueing out of or reserved or payable to us for certaine Lands in *Burlaughton* in our county of Stafford or ought of or for the same alone or together with any other Land or Hereditamente And All that Tenth or yearly sume of £. 3. 18. 0. issuing out of a reserved or payable to us for the Scite and Demeasne Land of or belonging to the late *Priory of Rocester* in the said county of Stafford or out of or for the same alone or together with any other Land or Hereditament And all that Tenth or yearly sume of £. 3. 16. 6½. issuing out of or reserved or payable to us for certaine Land in Stone and *Darleston* in the said County of Stafford or out of or for the same

STAFFORD.	£.	s.	d.
Burlaughton - - - -	5	16	8
Priory of Rocester - - -	3	18	0
Darleston - - - -	3	16	6½

Stafford—*continued.*	£.	s.	d.	
Mill in Alvecote - - -	5	0	0	same alone or together with any other Land or Hereditam[t] And all that Fee Farme or yearely Rent of £. 5. issuing out of or reserved or payable for a *Mill in Alvecote* in the said county of Stafford or out of or for the same alone or together with any other Mill or Hereditam[t] whatsoever And all that rent or
Messe in Lichfield - - -	3	0	0	yearly sume of £. 3. 0. 0. issuing out of or reserved or payable to us for a Messuage in Litchfield in the said county of Stafford now or late in the tenure or occupation of Richard Hammersley or out of or for the same alone or together with any other land or Hereditament whatsoever And all that Fee Farme or yearely rent or sume of three pounds two shilling and sixpence issuing out of or reserved or payable to us for a Wood called *Iverley*
Iverley Wood - - - -	3	2	6	*Wood* in the County of Stafford or out of or for the same alone or together with any other Wood Land or Hereditam[t] whatsoever And all that Fee Farm or yearely rent or sume of £. 8. issueing out of a reserved or payable to us for the *Rectory of*
Rectory of Sedgeford - -	8	0	0	*Sedgford* (besides the Curates Stipend of £. 10.) in the said County of Stafford or out of or for the same alone or together with any other Rectories Land Tenem[t] or Hereditam[t] whatsoever And all that Fee Farme or yearly Rent or
G[t] Tythes of Stone - - -	19	0	8	Sume of £. 19. 0. 8. issuing out of or reserved or payable for the *Great Tythes of and in the Parish of Stone* in the said County of Stafford or out of or for the same alone or together with any other Tythes Tenem[t] or Hereditam[t] whatsoever And all that Fee Farm or yearly Rent or sum of
Small Tythes of Stone - -	26	9	8	£. 26. 9. 8. issuing out of a reserved or payable for the *small Tythes of and in the said Parish of Stone* aforesaid or out of or for the same alone or together with any other Tythes or Hereditam[t] whatsoever And all that Fee Farm or yearely rent or
Tythes in Rocester - - -	8	13	4	sume of £. 8. 13. 4. (besides the Curate's Stipend of £. 6. 13. 4.) issuing out of or reserved or payable for *Tythes in Rocester* aforesaid in the said County of Stafford or out of or for the same alone or together with any other Tythes Tenement or Here-
Church and Church Land of Eaton	10	0	0	ditam[t] whatsoever And all that Pencon or yearely sume of £. 10. issuing out of or reserved or payable for the *Church and Lande of Church Eaton* in the said County of Stafford or out of or for the same alone or together with any other Land or Hereditam[t]
Lordship or late Priory of Trentham.	105	0	0	whatsoever And all that Fee Farme or yearly rent or sum of of £. 105. issueing out of reserved or payable for the *Lordship or late Priory of Trentham* in our said County of Stafford or out of or for the same alone or together with any other Lordshipps or Prioryes Land Tenement or Hereditam[t] whatsoever And all
Manors of Welton and Butterton	4	4	2½	that Tenth or yearly rent or sume of £. 4. 4. 2½. issuing out of or reserved or payable for the Manors of *Wetton and Butterton* in our said County of Stafford or out of or for the same alone or together with any other Mannors Lands Tenement or Here-
Rectory of Shenston - - -	5	19	2½	ditament whatsoever And all that Fee Farm or yearly rent or sume of £. 5. 19. 2½. issuing out of or reserved or payable for the *Rectory of Shenston* in the said County of Stafford or out of or for the same alone or together with any other Rectories Land
Manor of Mosshouse - -	9	0	9½	Tenement or Hereditam[t] whatsoever And all that Fee Farme or rent or sume of £. 9. 0. 9½. issuing out of or reserved or payable for the Manor of *Mossehouse in Shenton* in the said County of Stafford or out of or for the same alone or together with any
Rectory of Kinware - - -	2	4	2	Manors Land Tenement or Hereditament whatsoever And all that Tenth or yearly sume of £. 2. 4. 2. issueing out of or reserved or payable for the *Rectory of Kinware* in the said County of

STAFFORD—*continued.*	£.	s.	d.
Lands in Orsley - - -	2	0	0
Lands in Wirley - - -	2	9	10
Lands in Caldmore - - -	2	0	0
Tythes of Tytonfore - - -	2	13	4
Church and Land of Swinnerton	2	0	0
Tythes of Farley and Cotton -	2	5	0
Tythes in Calton and Watersall	2	6	8
Rectory of Bradley - - -	3	6	8
Total in C° Stafford -	£. 242	7	3
HEREFORD.			
Benefice of Shuringfield - -	5	0	0
Manor and Rectory of Wanbridge	8	4	2
	£. 13	4	2
SALOP.			
Manor of Lilleshull - - -	4	0	4½
Scite and Demesnes of the late Priory of Lilleshull.	4	4	4
Grange of Moreveild - -	3	0	8
Tythes of Walton and Burton Chappell.	4	13	4

Stafford or out of or for the same alone or together with any other Rectories Land Tenem^{t} or Hereditam^{t} whatsoever And all that yearly rent or sum̃e of £. 2. issuing out of or reserved or payable for Lande in *Orsley* in the said County of Stafford or out of or for the same alone or together with any other Land Tenement or Hereditam^{t} whatsoever And all that yearly rent of £. 2. 9. 10. issueing out of or reserved or payable for Lande in *Wirley* in the said County of Stafford or out of or for the same alone or together with any other Land or Hereditam^{t} whatsoever And all that Fee Farme or yearely rent or sum̃e of £. 2. issueing out of or reserved or payable for Land in *Caldmore* in the said County of Stafford or out of or for the same alone or together with any other Land or Hereditam^{t} whatsoever And all that yearely rent or sum̃e of £. 2. 13. 4. issuing out of or reserved or payable for the *Tythes* of Tytonfore in the said County of Stafford or out of or for the same alone or together with any other Tythes or Hereditaments whatsoever And all that Penc̃on or yearly sum̃e of £. 2. issueing out of or reserved or payable for the *Church and Land of Swinnerton* in the said County of Stafford or out of or for the same alone or together with any other Land or Hereditam^{t} whatsoever And all that rent or yearely sum̃e of £. 2. 5. 0. issued out of or reserved or payable for the Tythes of *Farley and Cotton* in the said County of Stafford or out of or for the same alone or together with any other Tythes or Hereditament And all that rent or yearly sume of £. 2. 6. 8. issueing out of or reserved or payable for *Tythes in Calton and Watersall* in the said County of Stafford or out of or for the same alone or together with any other Tythes or Hereditament whatsoever And all that Penc̃on or yearly sum̃e of £. 3. 6. 8. issueing out of or reserved or payable for the *Rectory of Bradley* in the said County of Stafford or out of or for the same alone or together with any other Rectories Land Tenem^{t} whatsoever And all that rent or yearly sum̃e of £. 5. issueing out or reserved or payable the *Benefice of Shuringfield* in the County of Hereford paid by the Master of the Works of the Cathedral Church of Hereford or out of or for the same alone or together with any other Benefices or Hereditam^{t} whatsoever And all that yearely rent or sum̃e of £. 8. 4. 2. issueing out of or reserved or payable for the *Manor and Rectory of Wanbridge* in the said C° of Hereford or out of or for the same alone or together with any other Mannors Land Tenement or Hereditament whatsoever And all that Tenth or yearly sume of £. 4. 0. 4½. issueing out of or reserved or payable for the *Manor of Lilleshull* in the County of Salop or out of or for the same alone or together with any other Mannors Land Tenem^{t} or Hereditam^{t} And all that Tennth or yearely sum̃e of £. 4. 4. 4. issueing out of or reserved or payable for the *Scite and Demeasnes* of the late Priory of Lilleshull in the said County of Salop or out of or for the same alone or together with any other Land or Hereditam^{t} whatsoever And all that Tennth and yearely sume of £. 3. 0. 8. issueing out of or reserved or payable for the *Grange of Moreveild* in the said County of Salop or out of or for the same alone or together with any other Grange Land Tenement or Hereditament whatsoever And all that yearely rent or sume of £. 4. 13. 4. issueing out of or reserved or payable for the *Tythes of Walton* and Burton Chappell in the said County of Salop or out of or for the same alone

Salop—*continued*	£.	s.	d.	
Chappell of Dawley - - -	3	6	8	alone or together with any other Tythes or Hereditam^{t} whatsoever And all that yearely rent or sume of £.3. 6. 8. issueing out of or reserved or payable for the *Chappell of Dawley* in the said County of Salop or out of or for the same alone or together with any other Land Tenem^{t} or Hereditam^{t} whatsoever And all
Tythes in the Feryett near Shrewsbury.	4	3	4	that yearely rent or sume of £.4. 3. 4. issueing out of or reserved or payable for the *Tythes in the Feryett neere Shrewsbury* in the said County of Salop or out of or for the same alone or together with any other Tythes or Hereditam^{t} whatsoever And all that
Tythes in Shipton Moorehouse, &c.	10	3	4	yearely rent or sume of £.10. 3. 4. issueing out of or reserved or payable for Tythes in *Shipton Moorehouse* Larden Bretton Weston Hopton and Muckhall in the said County of Salop or out of or for the same alone or together with any other Tythes or Here-
Rectory of Marehomley - -	3	0	4	ditam^{t} whatsoever And all that rent or yearely sum of £.3. 0. 4. issueing out of or reserved or payable for the *Rectory of Marehomley* in the said County of Salop or out of or for the same alone or together with any other Rectories Land Tenement or Hereditam^{t} whatsoever And all that rent or yearely sum of
Tythes in Barrow, &c. - -	2	10	0	£.2. 10. 0. issueing out of or reserved or payable for *Tythes in Barrow Passenhall Allestree and Swainey* in the said County of Salop or out of or for the same alone or together with any other Tythes or Hereditam^{t} whatsoever And all that rent
C^{o} of Clothiers in Shrewsbury -	4	0	0	or yearely sume of £.4. ariseing and payable by *the Company of Clothiers in Shrewsbury* in the said County of Salop And
Tythes in Great Nessee, &c. -	7	0	0	all that rent or yearely sume of £.7. issueing out of or reserved or payable for *Tythes in Great Nessee Hopton and Shutterton* in the said County of Salop or out of or for the same alone or together with any other Tythes or Hereditam^{t} what-
Rectory of Enall - - -	10	0	0	soever And all that Rent or yearely sume of £.10. issueing out of or reserved or payable for the *rectory of Enall* in the said County of Salop or out of or for the same alone or together with any other Rectories Land Tenem^{t} and Hereditament whatsoever
Tythes of the late College of Bridgenorth.	19	9	4	And all that Rent or yearely sume of £.19. 9. 4. issueing out of or reserved or payable for *Tythes* belonging to the *late Colledge of Bridgenorth* in the said County of Salop or out of or for the same alone or together with any other Tythes or Hereditam^{t}
Tythes of the late College of St. Chadde in Shrewsbury.	8	7	10	whatsoever And all that Rent or yearely sum of £.8. 7. 10. issueing out of or reserved or payable for *Tythes* belonging to the *late Colledge of St. Chadde* in Shrewsbury in the said County of Salop or out of or for the same alone or together with any other Tythes or Hereditament whatsoever And all that Rent or
Mill called Shifnall Mill - -	2	0	0	yearely sume of £.2. issueing out or reserved or payable for the *Mill called Shifnall Mill* in the said County of Salop or out of or for the same alone or together with any other Mills or Hereditam^{t} whatsoever And all that Tenth or yearely sum of
Manor of Hardwick - - -	2	2	5	£.2. 2. 5. issueing out of or reserved or payable for the *Mannor of Hardwick* in the said County of Salop or out of or for the same alone or together with any other Mannors Land Tenem^{t} or Hereditam^{t} whatsoever And all that Tenth or yearely sume of
Manors of Burton & Colloughton	3	1	0½	£.3. 1. 0½. issueing out of or reserved or payable for the *Mannors of Burton and Colloughton* in the said County of Salop or out of or for the same alone or together with any other Mannors Land Tenem^{t} or Hereditam^{t} whatsoever And all that Tenth
Manor of Gitton - - -	4	8	5	or yearely Rent or Sume of £.4. 8. 5. issueing out of or reserved or payable for the Mannor of Gitton in the said County
Total in Salop - - -	£. 99	11	5	of Salop or out of or for the same alone or together with any

	£.	s.	d.
WORCESTER.			
Rectory of Ombersley - -	32	18	4
Tythes of Defford, &c. - -	4	0	0
Tythes in Willersley - -	9	2	2
Total in Worcester - -	£. 46	0	6
WARWICK.			
Rectory, &c. of S^{t} Nicholas -	6	13	4
Rectory of Wolhampton - -	24	13	4
Total in Warwick - -	£. 31	6	8
LEICESTER.			
Rectory of Bushby, &c. - -	10	0	0
Tythes in Workington, &c. -	9	6	8
Total - -	£. 19	6	8

other Mannors Land Tenem^{t} or Hereditam^{t} whatsoever And all that Fee Farme or yearely rent or sum̃e of £. 32. 18. 4. issueing out of or reserved or payable for the *Rectory of Ombersley* in the County of Worcester or out of or for the same alone or together with any other Rectories Land Tenem^{t} or Hereditam^{t} whatsoever And all that yearely Rent or sum̃e of £. 4. issueing out of or reserved or payable for the *Tythes of Defford and Grange* in the said County of Worcester or out of or for the same alone or together with any other Tythes or Hereditam^{t} whatsoever And all that yearely Rent or Sum̃e of £. 9. 2. 2. issueing out of or reserved or payable for the *Tythes of Willersey* in the said County of Worcester or out of or for the same alone or together with any other Tythes or Hereditam^{t} whatsover And all that Tenth or yearely sum̃e of £. 6. 13. 4. issueing out of or reserved or payable to us for the *Rectory of S^{t} Nicholas* and St. Mary in the County of Warwick or out of or for the same alone or together with any other Rectoryes Land Tenem^{t} or Hereditam^{t} whatsoever And all that Fee Farme Rent or yearely sume of £. 24. 13. 4. issueing out of or reserved or payable for the *Rectory of Wolhampton* in the said County of Warwick or out of or for the same alone or together with any other Rectoryes Land or Hereditam^{t} whatsoever And all that yearely Rent or Sume of £. 10 issueing out of or reserved or payable for the Rectory of *Bushby and Thurnby* in the County of Leicester or out of or for the same alone or together with any other Rectories Land Tenement or Hereditam^{t} whatsoever And all that Fee Farme or other yearely Rent or Sum̃e of £. 9. 6. 8. issueing out of or reserved or payable of or for the *Tythes of Workington Newbold Staunton and Willeston* in the said County of Leicester or out of or for the same alone or together with any other Tythes or Hereditam^{t} whatsoever And all Fealties Tenures and other Services by which the said Mannors Land and Premisses are holden of us our heires and successors And all and every sume or sum̃es of money due or payable (noie pene) And all and every other forfeiture and forfeitures benefitt and advantages whatsoever accrewing or which might or could happen or become due or payable to us our heirs or successors for or by reason of the non-payment of the said rent or yearely sum̃es hereby granted or any or either of them And all Powers and Authorities of Entry and Distresse as well for the said Rent and Sum̃es of money or any of them as for all the said Noie Penes and other Forfeitures for non-payment thereof And all Powers Authorities Priviledges and advantages whatsoever as well for recovery and receiving as for acquitting and discharging the same And the reverc̃on and Reverc̃ons remainder and remainders of all and singular the said Rent and Premisses And all the Estate Right Title Interest Clayme and Demande whatsoever of us our heires and Successors of in and unto the said Rent and Premisses and every or any part or p̃cell thereof To have and to hold the said Fee Farme Rent yearely and other Sum̃e and sum̃es of money and all other the Premisses hereinbefore menc̃oned and intended to be hereby granted with their and every of their Appten̄nc unto the said Sir Walter Wrotesley Rich^{d} Congrave & John Gifford & their heires To the use of the s^{d} Sir Walter Wrotesley Rich^{d} Congrave & John Gifford and of their heires and assigns for ever In trust neverthelesse and To the intent that

	£.	s.	d.
Richard Pendrell & the Heirs of his Body.	100	0	0
Wm Pendrell & the Heirs of his Body.	100	0	0
John Pendrell & the heirs of his Body.	66	13	4
Humphrey Pendrell & the Heirs of his Body.	66	13	4
George Pendrell & the Heires of his body.	66	13	4
Elizabeth Yates & the heires of her Body.	50	0	0
£.	450	0	0

with X remainders between them in Tail.

that they the said Sir Walter Wrotesley Richard Congrave and John Gifford and the survivor of them and the heires of such survivor shall stand and bee seized of the Premisses as to £.*100.* ℔ *ann.* part thereof for the use and benefitt of Mary Pendrell Relict of Richard Pendrell for her life And from and after her decease for the use and benefitt of the heires of the body of the said *Richard Pendrell begotten* And as £.*100* ℔ *ann.* more thereof for the use and benefitt of *William Pendrell* and the heires of his body comeing And as to *one hundred Markes* ℔ *ann.* more thereof for the use and benefitt of *John Pendrell* and the heires of his body comeing And as to *100 markes* ℔ *ann.* more thereof for the use and benefitt of *Humfry Pendrell* and the heirs of his body coming And as to *100 markes* ℔ ann. more thereof for the use and benefitt of *George Pendrell* and the heires of his body coming And as to £.50 ℔ ann. more thereof for the use and benefitt of Elizabeth Yates and the heires of her body And as any of the Persons above named shall happen to dye without issue the part and share of him her or them so dyeing to remain and come and bee for the use and benefitt of the Survivors and Survivor of them and the heires of theire respective bodies equally share and share alike soe long as any of the Issues of any of their bodies contynue And for want of such Issue In Trust for us our heires and successors Although exp^{d}sse menc̃on &c.

In witness &c. Witness our selfe att Westm. the foure and twentieth day of July.

By Writt of Privy Seale.

This is a true Copy from the original Record remaining in the Chapel of the Rolls, having been examined.

(signed) *John Kipling.*

Appendix, No. 10.

PAPER handed in by Sir *Reginald Welby*, K.C.B.

ANNUITY OF £. 19,000 TO THE DUKE OF RICHMOND.

1887.

THE PARLIAMENTARY TRUSTEES OF THE GOODWOOD ESTATES.

SCHEDULE of PARTICULARS showing the dealings with certain SUMS of CONSOLS amounting together to £. 633,333. 6. 9. transferred into the Names of the PARLIAMENTARY TRUSTEES in exchange for an ANNUITY of £. 19,000 charged upon the Consolidated Fund, showing how this Sum, with certain additions thereto, arising from Sales and Enfranchisements, has been reduced to £. 241. 12. 5., like Stock now standing in the Trustees' Names.

N.B.—It will be seen from the following particulars that the application of the proceeds of the Sales of Stock is not entirely accounted for. There must necessarily have been other considerable items for legal expenses, surveyors' charges, and the like, and it may be that there are some early purchases which have not been traced, but the Schedule is made as complete as the time given for its preparation would allow.

Date of Transfer, Sale, or addition to Stock.	STOCK TRANSACTION.	Amount of Stock received or dealt with.	Amount of Cash realised by Sale of Stock,	Particulars of Purchases, all Freehold, except where otherwise stated.	To whom Conveyed.
1801:		£. s. d.	£. s. d.		
27 November - -	Amount of Consols received in redemption of one-third Annuity of £. 19,000.	211,111 2 3			
1807:					
10 July - - -	Amount sold for an advance on mortgage at - -	48,193 7 6	30,000 - -	This sum was advanced on mortgage of the Goodwood Estates to the Trustees of third Duke of Richmond, in contemplation of the subsequent purchase thereof.	
		162,917 14 9			
1809:					
14 November - -	Amount of Consols added by a further redemption of one-third Annuity of £. 19,000.	211,111 2 3			
		374,028 17 -			
1810:					
27 December - -	Sold at 66 - - - - - - - - - -	245,454 8 5	162,000 - -	The Goodwood Mansion and Estates belonging to the Trustees of the third Duke of Richmond, and comprising between 12,000 and 13,000 acres of land, with the Manors of Boxgrove, East Dean, East Lavant, Halnaker, Tangmere, Brimfast, and Fishers, Barnham Singleton and Charlton, Raughmere, and Westhampnett. The purchase money is made up of 30,000 *l.* already advanced on mortgage, and 162,000 *l.* now sold out; 2,000 *l.* was applied in the expenses and *ad valorem* duty.	The Right Honourable Spencer Perceval, First Lord of the Treasury, the Right Honourable Henry L. Bathurst, the Honourable George Berkeley, otherwise George Cranfield Berkeley, the Honourable Cropley Ashley Cooper, and the Right Honourable Thomas Steele; to the use of such persons and for such estates as the said annuity of 19,000 *l.* would, by virtue of the limitations contained in the Act of Parliament, 39 & 40 Geo. 3, have stood limited in case no part thereof had been funded or redeemed.
		128,574 8 7	192,000 - -		

1814: 15 August	Sold at 66⅛	45,222 15 –	29,847 – –	A farm and cottage at West Stoke, in the County of Sussex, purchased from Lady L. M. Lennox, and others.	To the then Trustees to the uses aforesaid.
		83,351 13 7		Two undivided third parts of the Manor of Stoke, and a capital messuage and mansion house, and other hereditaments at Stoke, now known as West Stoke House and Park, from his Grace the Duke of Richmond (the remaining one-third of Stoke was acquired in exchange).	- - ditto - - ditto.
				A piece of land at Boxgrove from Mr. Charles Millyard -	- - ditto - - ditto.
				Land, formerly part of Eartham Common, purchased from the Commissioners under an enclosure Act.	- - ditto - - ditto.
				Purchase of an acre of land held of Halnaker Manor from Charles Stamp.	Surrendered to the then Duke, so as to merge in the inheritance of the manor vested in the Trustees.
				Purchase of copyhold estate held of Boxgrove Manor - -	- - ditto - - ditto.
1823: 23 February	Sold at 73⅝	11,699 19 9	8,599 10 –	Purchase of the manors of Oldbury and Seabeach, and Oldbury and Seabeach farms, near Goodwood, comprising 128 A. 0 R. 24 P. from the Commissioners of Woods and Forests.	——
1824: 15 July	Amount of Consols added by a further redemption of one-third of annuity of £.19,000.	211,111 2 3			
		282,762 16 1			
17 April	10,430 *l.* 10 *s.* 3 *d.*; sold at 96	27,000 – –	25,590 19 4	A messuage and 24 acres of land and common of pasture for 60 sheep and 16 hogs, purchased from John Chitty, being copyhold of the Manor of Charlton.	Surrendered to his Grace, so as to merge in the freehold of the manor vested in the Trustees.
17 September	6,374 *l.* 10 *s.*; sold at 94½				
1825: 22 January	10,194 *l.* 19 *s.* 9 *d.*; sold at 94			A copyhold cottage and stich of land in Charlton, purchased from Henry Glover.	- - ditto - - ditto.
				An acre of land in Westerton Common Field in Westhampnett, purchased from George Combes.	To the then Trustees to the uses aforesaid.
				Five acres of land and three undivided fourth parts of two other freehold closes of land, in the parish of West Hampnett, called St. Richard's Green and Stony Farm, purchased of John Knott and others.	- - ditto - - ditto.
	Carried forward - - £.	255,762 16 1	256,037 9 4		

ANNUITY OF £. 19,000 TO THE DUKE OF RICHMOND—*continued.*

Date of Transfer, Sale, or addition to Stock.	STOCK TRANSACTION.	Amount of Stock received or dealt with.	Amount of Cash realised by Sale of Stock.	Particulars of Purchases, all Freehold, except where otherwise stated.	To whom Conveyed.
		£. s. d.	£. s. d.		
	Brought forward - - -	253,762 16 1	256,037 9 4	A copyhold messuage and hereditaments, containing by customary measure 31 A. 1 R. 33 P., purchased of Charles Millyard, being copyhold of the Manor of Boxgrove.	Surrendered to his Grace the then Duke of Richmond as Lord of the Manor, so as to merge in the reversion vested in the trustees.
				The Manor of East Wittering, Sussex, and East Wittering Farm, comprising 166 A. 2 R. 17 P., from John Hellyer and others.	To the then trustees to the uses aforesaid.
				A messuage and lands at Barnham, comprising 33 A. 1 R. 37 P., with six beast leases, purchased of Joseph Murrell.	- - ditto - - ditto.
				The site of messuage and premises at Halnaker, purchased from Mr. Cuckney.	- - ditto - - ditto.
				Holls Farm, Birdham, containing, by estimation, 55 acres, with three closes of waste, containing 12 A. 3 R. 1 P. (*Note.*—The purchase money in the conveyance is 3,165 *l.*, including a wall, for which 15 *l.* was apparently paid by his Grace.)	- - ditto - - ditto.
				A freehold estate at Bosham, called Old Fishbourne Farm, comprising 105 acres. (The farm was afterwards exchanged with Admiral Berkeley.)	- - ditto - - ditto.
				A messuage, called the Grey Fryars, and premises now the Priory Park, in the City of Chichester, comprising 13 A. 1 R. 14 P., purchased from the trustees of Admiral Franklin, and others.	- - ditto - - ditto.
				The reversion in fee of certain portions of the above from the Corporation of Chichester.	- - ditto - - ditto.
1825: 14 October - -	Sold at 88½ - - - - - - - - -	28,409 2 -	25,000 - -	A freehold estate at Felpham, containing 20 A. 0 R. 32 P., by estimation, purchased of Mr. Charles Rudwick.	- - ditto - - ditto.
		227,353 14 1		Groves Farm, Oving, containing 160 acres, purchased from Mr. Philip Lawrence.	- - ditto - - ditto.
				A farm and land at Felpham, containing 305 A. 2 R. 13 P., purchased of Mr. C. Sparkes and others.	- - ditto - - ditto.

29 October - -	Sold at 87½ - - - - - - - - - -	3,433 9 6	3,000 - -		
		223,920 4 7			
1826:					
26 January - -	Sold at - - - - - - - - - - -	3,738 6 4	3,000 - -		
		220,181 18 3			
18 May - - -	Sold at 78⅛ - - - - - - - - - -	8,974 7 2	7,000 - -	Freehold hereditaments in Funtington and Bosham, Sussex, as per schedule and plan annexed to deed, the quantity not stated, purchased from Messrs. Andrews & Holloway, and subsequently enfranchised.	- - ditto - - ditto.
		211,207 11 1			
6 July - - -	Sold at 77¼ - - - - - - - - - -	96 8 10			
		211,111 2 3	2,000 - -		
6 July - - -	Sold at 77¼ - - - - - - - - - -	2,497 1 6			
		208,614 - 9			
1827:					
5 July - - -	Sold at 85¾ - - - - - - - - - -	24,372 19 2	20,868 6 11	Kingsham Farm, near Chichester, described as containing 134 A. 1 R. 20 P., purchased from Mr. James Hack and others.	To the then Trustees to the uses aforesaid.
				A messuage and farm buildings, with 68 A. 1 R. 17 P. of land, situate in the parish of Barnham, Sussex, and being copyhold of the manor of Barnham, purchased of Mr. John Rusbridger.	Surrendered to his Grace so as to merge in the inheritance of the manor of Barnham, vested in the Trustees.
				A freehold meadow at Boxgrove, containing 4 A. 2 R., dwellinghouses at Boxgrove and West Stoke, and a freehold croft of land at Barnham, containing 1 acre, purchased of his Grace the Duke of Richmond; being purchases made by him, in his own name, from time to time.	To the then Trustees to the uses aforesaid.
				Copyhold hereditaments held of the manor of Boxgrove, containing 13 A. 3 R. 39 P., purchased of Mr. John Rusbridger.	Surrendered so as to merge in the inheritance of the manor.
				Six copyhold tenements in the parish of St. Pancras, Chichester, purchased of Mr. John Rusbridger, and subsequently exchanged with Mr. Habin for land at Oving.	
				Legal, surveyors', and other expenses relating to the foregoing purchases, commencing with the purchase of John Knott, 23rd and 24th October 1823.	
				Two leasehold cottages, &c., at Maudling, in the parish of Westhampnett, Sussex, purchased of Mr. Harrison Deacon.	To the then Trustees to the uses aforesaid.
				Copyhold hereditaments at Singleton, comprising a dwellinghouse and buildings, and 21 A. 1 R. 25 P. of land purchased of Mr. Stephen Pannell.	Surrendered, so as to merge in the inheritance of the manor vested in the Trustees.
	Carried forward - - - £.	184,241 1 7	316,905 16 3		

ANNUITY OF £. 19,000 TO THE DUKE OF RICHMOND—*continued.*

Date of Transfer, Sale, or addition to Stock.	STOCK TRANSACTION.	Amount of Stock received or dealt with.	Amount of Cash realised by Sale of Stock.	Particulars of Purchases. all Freehold, except where otherwise stated.	To whom Conveyed.
		£. s. d.	£. s. d.		
	Brought forward - - -	184,241 1 7	316,905 16 3		
1827:					
3 May - - -	Sold at 86⅝ - - - - - - - - - -	2,890 6 5	2,500 9 5	A copyhold cottage at Charlton, purchased of Mr. Edward Smart.	Surrendered so as to merge in the inheritance of the manor vested in the Trustees.
		181,350 15 2			
				Purchase from the Chichester and Portsmouth Canal Company of a piece of land at Donnington, comprising 1 A. 3 R. 12 P.	Conveyed to the then Trustees to the uses aforesaid.
1830:					
2 February - -	Sold at 93¾ - - - - - - - - - -	19,865 1 –	18,400 – –	A freehold messuage and buildings, and 27 A. 2 R. 22 P., and four beast leases, situate in the parish of Barnham, Sussex, purchased of Mr. John Murrell.	- - ditto - - ditto.
				A freehold messuage, buildings, and 190 A. 1 R. 7 P. of land situate at Itchenor, Sussex, together with the manor or reputed manor of East Itchenor, purchased of the Trustees of C. P. Peckham, esq.	- - ditto - - ditto.
				A freehold messuage, buildings, and 94 A. 2 R. 29 P. of freehold land at East Wittering, Sussex, purchased of Mr. E. Florence and others.	- - ditto - - ditto.
				A freehold messuage and water corn-mill, and 10 acres of freehold meadow land, situate at Westhampnett, near Chichester, purchased of Messrs. Knott and their trustees.	To the then Trustees to the uses aforesaid.
				A freehold messuage and farm buildings, and 43 A. 3 R. 2 P. of land, situate within the liberties of the city of Chichester, purchased of George Farhill, esq., and others.	- - ditto - - ditto.
1830:					
6 March - - -	Sold at 92½ - - - - - - - - - -	13,587 2 –	12,501 7 3	Conveyance of freehold and copyhold hereditaments, situate at Lavant and Chichester, comprising a messuage and 490 A. 2 R. 38 P., customary acres of land, purchased of Mr. John Souter. *See* Plan, and Terrier on Conveyance.	- - ditto - - ditto. On the 6th day of June 1837 the Right Hon. Henry George Earl Bathurst, the Right Hon. A. Lord Templemore, and the Right Hon. William Lennox Bathurst were appointed in the room of the said George Berkeley, Thomas Steele, and Henry L. Bathurst, then deceased.
		147,898 12 2			
1838:					
16 February - -	Sold at 92¾ - - - - - - - -	2,159 4 10	2,000 – –	Freehold land in the parish of Funtington, comprising 19 acres, of the Misses Andrews.	To the then Trustees to the uses aforesaid.
		145,739 7 4			
				Purchase of Rooks Hill Windmill of J. Spershott for residue of a lease granted by the lord of the manor of East Lavant, and which thus merged in the freehold.	- - ditto - - ditto.

1838:				
10 April - - -	Sold at 93½ - - - - - - - - - -	131,470 17 4	122,760 18 6	Purchase of the Scotch estates, comprising the lands and barony of Strathaven, in the parish of Kirkmichael, in the county of Banff. Portions of the lands and barony of Auchindown and estate of Glenrinnes, Banff. The barony of Kincardine, in the parish of Kincardine, in the county of Inverness.
		14,268 10 –		
1843:				
22 July - - -	Sold at 93¾ - - - - - - - - - -	1,469 13 10	1.375 – –	A messuage and garden in the parish of Westhampnett. Leasehold for 99 years.
				(This merged with freehold already vested in the Parliamentary Trustees.)
				A copyhold cottage and garden at Vulcan's Hole, purchased of G. Light, held of the manor of Boxgrove.
				A cottage at East Lavant purchased of Archdeacon Cambridge.
				Two cottages and hereditaments held of East Lavant manor, purchased of William Rapson.
				A copyhold messuage, &c., held of East Lavant manor, purchased of Henry Miles.
				A house and premises at East Lavant; copyhold of East Lavant manor, purchased from Miss Rixon.
				A messuage and garden at Boxgrove, held of Boxgrove manor, purchased from John Ide.
				Copyhold hereditaments, held of the manor of Singleton, purchased of H. B. Sowton, esq.
				A messuage and premises at Westerton, purchased of Henry Pelham.
				A piece of land at Westerton, in the parish of Westhampnett, purchased of C. Ide and others.
				A cottage and garden called the Smith's Forge, situate at and held of the manor of East Lavant, purchased from the devisees of Harvey.
				A tenement, yard, and land called Crouchers, situate at Lavant, and held of the manor of Raughmere, purchased of the devisees of I. Sparshott.
	Carried forward - - - £.	12,798 16 2	476,443 11 5	

	To the then Trustees to the uses aforesaid.
	- - ditto - - ditto.
	Surrendered so as to merge in the inheritance of the manor.
	Copyhold interest surrendered so as to merge in the freehold.
	Surrendered, so as to merge in the freehold of the manor then vested in Trustees.
	- - ditto - - ditto.
	- - ditto - - ditto.
	- - ditto - - ditto.
	- - ditto - - ditto.
	To the then Trustees to the uses aforesaid.
	- - ditto - - ditto.
	Surrendered, so as to merge in the freehold of the manor vested in the Trustees.
	- - ditto - - ditto.

ANNUITY OF £. 19,000 TO THE DUKE OF RICHMOND—*continued.*

Date of Transfer, Sale, or addition to Stock.	STOCK TRANSACTION.	Amount of Stock received or dealt with.	Amount of Cash realised by Sale of Stock.	Particulars of Purchases, all Freehold, except where otherwise stated.	To whom Conveyed.
		£. s. d.	£. s. d.		
	Brought forward - - -	12,798 16 2	476,443 11 5	A toft of land, whereon a cottage formerly stood, held of the manor of East Dean, purchased from John Freeborn.	Surrendered so as to merge in the freehold of the manor vested in the Trustees.
				A cottage and garden, called Rossiter's, held of the manor of East Lavant, purchased of John Treadwell.	- ditto - - ditto.
				Meadow land at Barnham, purchased of James Caiger - -	- ditto - - ditto.
				A rentcharge arising out of an allotment made to the poor of East Lavant, of the Enclosure Commissioners.	- ditto - - ditto.
				Property at East Lavant, purchased of the trustees of W. M. Bridger, comprising a barn and yard land called Hartlett's, and 36 A. 3 R. 13 P. of land.	Surrendered so as to merge in the freehold.
				A copyhold cottage and garden situate at East Dean, and held of East Dean Manor, purchased of the devisees of J. Freeborn.	Surrendered so as to merge in the inheritance of the manor.
				A cottage and garden, copyhold of the manor of Singleton, purchased of James Norrel.	- ditto - - ditto.
				A cottage and land, copyhold of the manor of East Lavant, of Mr. R. Arras (late Silverlock).	- ditto - - ditto.
1857 :					
20 November - -	Sold at 89⅜ - - - - - - - - -	9,234 11 10	8,243 1 10	Freehold hereditaments, purchased at various times by his Grace and conveyed to the trustees, viz. :	
		3,564 4 4		£.	
				1852, of Miss Boniface's Trustees - - - 1,020	
				1854, of Keat's Trustees (copyhold at Aldingbourne) - - - - - - - - 425	
				1857, freeholds at Aldingbourne - - - 980	
				Ditto - - ditto - - - - - 135	

					Copyhold allotments held of the manor of Raughmere - -	Surrendered so as to merge in the freehold.
					Legal expenses - - - - - - - - - -	
					Enfranchisement of Keat's copyholds - - - - - -	
					Expenses of various exchanges under the Boxgrove, East Lavant, and Mid-Lavant Inclosure Awards.	
					Allotment on Boxgrove Common, containing 2 A. 0 R. 25 P., purchased of J. Leamon.	
1858:						
9 July - - -	Sold at 95½ - - - - - - - - - -	580 - 2		553 3 -	An acre of land at Felpham, purchased of Hussey and others -	- ditto - - ditto.
		2,984 4 2				
1861:						
23 July - - -	Sold at 89¾ - - - - - - - - - -	44 12 4		39 19 4	Expenses of appointing new trustees - - - - - -	5th February 1861, Algernon Cox, Esq., and Charles Henry Mills, Esq., afterwards Sir C. H. Mills and now Lord Hillingdon, were appointed trustees in the room of the Earl of Shaftesbury and Lord Templemore.
		2.939 11 10				
1863:						
10 June - - -	Transferred to the trustees (investment of Souter's enfranchisement, 204 *l.*)	219 11 1				
9 July - - -	Transferred to the trustees (investment of Eli Whicker's enfranchisement, 62 *l.* 7 *s.* 9 *d.*, and investment of George Henty's enfranchisment, 224 *l.* 13 *s.*)	299 4 8				
15 July - - -	Sale of land for the Bognor police station and to the Bognor Railway Company; bought at 93⅛,	461 17 -				
		3,920 4 7			A copyhold messuage, garden, and allotment, held of the manor of Boxgrove, purchased of Thomas Oliver Duke and Charles Stamp.	Surrendered so as to merge in the inheritance.
1865:						
21 January - -	Sold at 89⅜ - - - - - - - - - -	3,000 - -		2,685 - -	A messuage and two yard lands in Tangmere called Carter's, purchased of His Grace the then Duke.	Conveyed to the trustees.
		920 4 7				
1869:						
31 July - - -	Bought at 93⅛; proceeds of sale of land at Felpham	428 19 1			Copyhold lands and tenements held of the manor of Tangmere, comprising 35 A. 1 R. 37 P., and freeholds comprising 4 A. 3 R. 12 P., purchased of James Bayley and George Tuer Bayley.	Conveyed to the trustees so as to extinguish the copyhold interest.
1873:						
24 March - -	Bought at 92⅛; proceeds of Bayley's enfranchisement, 22 *l.* 12 *s.*; 126 *l.* 14 *s.* 2 *d.*	180 3 3				
29 March - -	Bought at 92⅝ - - - - - - - - - -	12 19 8				
1874:						
26 March - - -	Bought at 92¼; proceeds of Legge's enfranchisement, 74 *l.* 8 *s.* 4 *d.*	80 13 4				
	Carried forward - - £.	1.622 19 11		487,964 15 7		

ANNUITY OF £. 19,000 TO THE DUKE OF RICHMOND—*continued.*

Date of Transfer, Sale, or addition to Stock.	STOCK TRANSACTION.	Amount of Stock received or dealt with.	Amount of Cash realised by Sale of Stock.	Particulars of Purchases, all Freehold, except where otherwise stated.	To whom Conveyed.
		£. s. d.	£. s. d.		
1874:	Brought forward - - -	1,622 19 11	487,964 15 7		
25 April - - -	Bought at 93; balance of purchase-money, Wm. Page.	92 8 4			
1875:	Bought at 92⅝; proceeds of Irish's enfranchisement, 106 *l.* 14 *s.* 5 *d.*	115 4 4			
27 April - - -	Bought at 94; proceeds of C. E. Legge's enfranchisement, No. 1, 43 *l.* 9 *s.* 11 *d.*	46 3 10			
		1,876 16 5			
24 September - - -	Sold at 94¼ - - - - - - - - -	691 3 7			
1876:		1,185 12 10	650 11 6	Copyholds held of the manor of Tangmere, comprising 8 A. 3 R. 19 P., purchased of Caleb Wm. Gater.	Conveyed to the trustees so as to extinguish the copyhold interest.
11 March - -	Sold at 94 - - - - - - - - -	114 17 4	107 16 7	Legal expenses - - - - - - - - - -	
		1,070 15 6			
14 June - - -	Bought at 94⅜; proceeds of G. T. Bayley's enfranchisement, No. 2, 54 *l.* 15 *s.* 9 *d.*	58 3 9			
		1,128 19 3			
30 September - -	Sold at 95¾ - - - - - - - - -	993 9 3	950 - -	Freeholds and copyholds, held of the manor of Singleton, comprising 4 A. 3 R. 38 P., purchased of the trustees of —— Glover.	- ditto - - ditto.
		135 10 -			
1877:					
2 March - - -	Sold at 96¼ - - - - - - - - -	70 - -	67 5 9	Trustees' expenses - - - - - - - - -	
		65 10			
1878:					
28 November - -	Bought at 96⅛; proceeds of Legge's enfranchisement, No. , 23 *l.* 8 *s.*	24 5 3			
1880:					
18 March - -	Bought at 97¾; proceeds of Bridger's enfranchisement, 139 *l.* 11 *s.* 5 *d.*	142 12			
14 April - - -	Bought at 98⅜; proceeds of Irish's enfranchisement, 84 *l.* 14 *s.* 11 *d.*	86 - 9			
		318 8 -			
1882:					
14 June - - -	Sold at 100¼ - - - - - - - - -	257 6 3	257 11 4	This was applied in part payment of the purchase-money of a messuage and premises at West Hampnett, purchased of Mr. W. B. Caffin's trustees for 850 *l.*, the remaining money being found by his Grace.	Conveyed to the trustees to the uses aforesaid.
		61 1 9			
1884:					
24 May - - -	Bought at 101½; proceeds of Mitchell's enfranchisement, 183 *l.* 9 *s.* 5 *d.*	180 10 8			
	Balance of Stock now in the Trustees' names, 19th July 1887 - - - - £.	241 12 5	489,998 - 9		

N.B.—Various exchanges of some of the properties originally acquired have from time to time been made under the powers of the Acts relating to the Trust, as well as under Inclosure Acts, but the result has not practically affected the value or quantity of the estates.

Appendix, No. 11.

MEMORANDUM handed in by Sir *Reginald Welby*, K.C.B.

INFORMATION furnished in pursuance of certain Questions asked in course of Examination.

1.—The Heneage Pension. 2.—The Dauverquerque Pension.
3.—The Schomberg Pension.

1.—HENEAGE PENSION.

THE Act 15 & 16 Vict. c. 73, s. 22, empowers the Treasury to grant to "G. H. W. "Heneage during his life, and after his death, to such person or persons as would have "been entitled to hold (the offices of Hereditary Chief Proclamator in the Court of "Common Pleas and Hereditary Chief Usher in the Court of Exchequer), or either of "them, upon satisfactory proof of his, her, or their being so entitled, such annual sum as "the Commissioners may find to be a fair and reasonable compensation for the loss of the "said offices."

Compensation allowance fixed at 588 *l.* 6 *s.* 9 *d.* per annum, being the full amount of the average profits of the office during 30 years preceding their abolition.

On the death of Mr. G. H. W. Heneage, the same compensation allowance was continued to his son, Mr. Clement W. Heneage, who afterwards commuted it.

2.—DAUVERQUERQUE PENSION, FORMERLY CHARGED ON LAND REVENUES.

Lord Cowper held four-fifths of this pension (1,600 *l.* gross, 1,503 *l.* 4 *s.* net) by descent, the first Lord Cowper having been grandson of the first grantee, Henry de Nassau, Seignor D'Auverquerque.

Mr. L. L. Cohen is one of four trustees who purchased the remaining one-fifth (400 *l.* gross, 375 *l.* 16 *s.* net) in 1868 from the executors of T. F. Schroeder, who held the same in 1853, but there is nothing to show how he came by it.

3.—SCHOMBERG PENSION.

The Countess of Holdernesse (afterwards Countess Fitzwalter) was one of two daughters of Maynard, Duke of Schomberg. She inherited half the original pension of 4,000 *l.* a year, and purchased the other half from her sister, thus acquiring the whole.

She and her second husband, Earl Fitzwalter, sold 1,000 *l.* a year, part of the pension, to Thomas Walker. This 1,000 *l.* a-year passed in equal moieties in 1774 to his descendants, Emma, Countess of Tankerville, and Mary, wife of John Aubrey.

Both moieties were sold to Richard Michell (1774 and 1778). On his death the 1,000 *l.* a-year was divided equally between his two daughters, Charlotte, wife of Frederick West, and Louisa, wife of Philip Lybbe Powys.

The latter portion (500 *l.* a-year) has passed by descent in the Powys family ever since.

The former portion (500 *l.* a-year), held by Mrs. Frederick West, was sold in 1792 by her and her husband to Robert Gosling, from whom it has descended to the present holder.

I N D E X

TO THE

REPORT

FROM THE

SELECT COMMITTEE

ON

PERPETUAL PENSIONS.

Ordered, by The House of Commons, *to be Printed,*
29 *July* 1887.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by Eyre and Spottiswoode, East Harding-street, London, E C.,
and 32, Abingdon-street, Westminster, S.W.;
Adam and Charles Black, North Bridge, Edinburgh;
and Hodges, Figgis, and Co., 104, Grafton-street, Dublin.

248.

I N D E X.

[*N.B.*—In this Index the Figures following the Names of the Witnesses, and those in the Analysis of Evidence of each Witness, refer to the Questions in the Evidence; the Figures following *App.* refer to the Pages in the Appendix; and the Numerals following *Rep.* to the Pages in the Report.]

A.

ABERDEEN UNIVERSITY. Perpetual payment of 320 *l.* a year to the University of Aberdeen as compensation under the Copyright Act, *App.* 58——Several perpetual payments transferred to the Consolidated Fund from the Land Revenuesof the Crown, *ib.* 68.

Almanacks (*Oxford and Cambridge Universities*). Annual amount chargeable on voted moneys in respect of compensation to the Universities of Oxford and Cambridge, for loss of the privilege of printing and vending almanacks; origin of the charge, *App.* 69.

Amherst, Lord. Concurrence generally in a statement that the origin of the grant of a pension of 3,000 *l.* to Lord Amherst and his successors was that George III. had previously proposed a grant of certain land in Canada, this proposal not having been carried out, *Sir R. E. Welby* 244-247. 250, 251——Doubt whether at the time of the foregoing proposal the power of alienation by the Crown was limited as regards Canada by the statute 1st Anne, s. 1, *ib.* 248, 249.

Function of the Treasury merely to carry out the provisions of the Act under which the pension was granted to Lord Amherst; they cannot go behind the Act, *Sir R. E. Welby* 251——Statement on the subject of the commutation of this pension, *ib.* 252-254.

Paper handed in by Sir Reginald Welby, setting forth the origin of the pension of 3,000 *l.* a-year to Lord Amherst, *App.* 42.

Particulars as to the date of redemption, the amount, how provided, and the number of years' purchase, *App.* 42.

Appuldurcombe (*Isle of Wight*), *Lord of the Manor of.* Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the grant in this case, the date and amount of redemption, &c., *App.* 48.

B.

Bath, Earl of. Paper handed in, on the part of the Treasury, containing particulars relative to the original grant to the Earl of Bath, *App.* 42.

Information as to the date of redemption, the amount, how provided, and the number of years' purchase, *App.* 42.

Berwick, Corporation of. Annual amount chargeable on voted moneys in respect of grant to the corporation of Berwick; origin of the charge, *App.* 69.

Report, 1887—*continued.*

Bradlaugh, C. (*Member of the Committee*). Statement to the effect that consideration was given at the time to a Memorandum submitted to the Treasury by Mr. Bradlaugh relative to the Penn and Marlborough pensions, and the proposed commutation thereof, *Sir R. E. Welby* 102–111.

Memorandum submitted to the Treasury by Mr. Bradlaugh, on 9th June 1884, respecting the proposed commutation of the Marlborough and Penn pensions; statement therein as to several acts of treachery and corruption on the part of the original grantee of the Marlborough pension, *App.* 53, 54.

C.

Cambridge University. Annual amount chargeable on voted moneys and paid to the university in respect of compensation for the loss of the privilege of printing and vending almanacks; origin of the charge, *App.* 69.

Carrickfergus Castle. Amount of perpetual payment charged on the Consolidated Fund in this case, and authority for such payment, *App.* 58.

Charitable Payments. Numerous small payments of a permanent character for charitable purposes which were commuted by the Treasury at about thirty years' purchase, after negotiation with the Charity Commissioners, to whom the payments were transferred from the Treasury, *Sir R. E. Welby* 12, 13——Enhanced rate given for the commutation of these payments, as causing much trouble at the Treasury, *ib.* 485, 486. 507–509.

Particulars respecting sundry perpetual payments, &c., chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the land revenues of the Crown under the Act 29 & 30 Vict. c. 62; amount and terms of redemption, *App.* 59–68.

Cheshunt Park (*Herts*), *Owner of.* Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the grant to the owner of Cheshunt Park (now payable to F. J. Prescott and others), *App.* 47.

Chief Proclamator (*Court of Common Pleas*) *and Chief Usher* (*Court of Exchequer*). See *Heneage, G. H. W.*

Clarges Annuity. Entire commutation of the pension to Sir Thomas Clarges and his heirs, *Sir R. E. Welby* 393, 394.

Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of this pension or annuity, and the amount and rate of redemption, *App.* 50.

Cohen, L. L. See *Dauverquerque Pension.*

Commutation of Pensions, &c.:

Discretionary powers vested in the Treasury as to the rates of commutation of permanent charges; statutory and other authority under which this power has been exercised by the Treasury (to the best of its ability), on different occasions, *Sir R. E. Welby* 12–36. 57–74——Term of about twenty-seven years given in the case of individual pensions; conclusion that on the basis of the price of consols at the time of commutation the public were gainers, *ib.* 12, 13. 57–66——Circumstance of thirty years' purchase having been given in some cases of ecclesiastical and charitable payments, *ib.* 12, 13. 485, 486. 507–509 —— Instances of more than thirty years having been paid, consols price having been given, *ib.* 19.

Absence of any claim on the part of the Treasury at the present time to commute without statutory power or Vote of Parliament, *Sir R. E. Welby* 100–102 —— Special authority given by Parliament to the Treasury as regards commutations since the discussion on the subject before the Select Committee on Public Monies, *ib.* 252–254.

Further statement as to the grounds upon which prior to the Act of 1873 the Treasury exercised the power of commutation of pensions without previous application to Parliament; probability that the opinion of the law officers was taken, *Sir R. E. Welby* 403–406. 430–432 —— Discretionary powers in the Treasury under the Commutation Act as to the terms in each case, *ib.* 482–492.

Belief that the rule has been to offer twenty-seven years' purchase where perpetual payments or pensions have been granted to individuals, *Sir R. E. Welby* 485. 487 —— Further statement as to thirty years' purchase having been given in some cases of charitable and ecclesiastical payments of a perpetual character, *ib.* 485–486.

Full

Report, 1887—*continued.*

Commutation of Pensions, &c.—continued.

Full consideration given to the contingency (if any) of the determination of the annuity; report in each case by the Treasury Solicitor as to the probability of the permanence of the pension, *Sir R. E. Welby* 490–501. 504—— View of the Treasury that a perpetual payment charged upon the Consolidated Fund was roughly equivalent to consol value; interpretation of the Act of 1873 as limiting the purchase money to consol value as the maximum, *ib.* 492, 493.

Different terms of the original grants in certain cases, whilst in all of them the terms of redemption were the same (nearly twenty-seven years' purchase), *Sir R. E. Welby* 494-501 ——Higher commutation in the case of ecclesiastical and charitable payments, as causing much trouble at the Treasury, *ib.* 507–509——Non-reduction in the annual charge in cases where thirty-three years' purchase has been given; advantage in the saving of trouble, *ib.* 510, 511.

Strong opinion of witness in favour of commutation, provided the Treasury can be satisfied that the annual payment is permanent, *Sir R. E. Welby* 594–596. 599-601.

Particulars respecting hereditary pensions, &c., redeemed since 1881, together with the date of redemption in each case, the amount of redemption money and how provided, and the terms upon which the redemption took place, *App.* 42-50.

Basis of computation for persons desiring to commute pensions under the Pensions Commutation Act of 1871; *App.* 53.

Particulars respecting sundry perpetual pensions, &c., chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act 29 & 30 Vict. c. 62; amount and terms of redemption, *App.* 59–68.

Resolution of the Committee that all existing perpetual pensions, allowances, and payments, and all hereditary offices, should be determined and abolished, *Rep.* iii ——In all such commutations the Lords of the Treasury should take into consideration the circumstances of such pension, allowance, or payment, and whether or not any real service had been rendered by the original grantee, or was now performed by the actual holder of the office, *ib.*

Further resolution of the Committee that in all cases the method of commutation ought to involve and ensure a real and substantial saving to the nation, *Rep.* iii —— Conclusion that the rate usually adopted, of about twenty-seven years' purchase, is too high, *ib.*

Total of 330 pensions, payments, and allowances, amounting to the annual sum of 18,957 *l.* 9 *s.* 6 *d.*, commuted since 1st January 1881 by the payment of 527,933 *l.* 18 *s.* 4 *d.*, and at rates varying from ten years to thirty years' purchase, *Rep.* iii.

Resolution that some pensions appear to have been commuted, notwithstanding formal objections in writing lodged with the Lords of the Treasury, and without sufficient inquiry into the matters stated in such objections, *Rep.* iii.

See also *Charitable Payments.* *Dauverquerque Pension.* *Ecclesiastical Payments.* *Grafton, Duke of.* *Marlborough, Duke of.* *Melbourne Pension.* *Penn Pension.* *Richmond and Gordon, Duke of.* *St. Albans, Duke of.*

Cornwall, Duchy of:

Annual payment to the Duchy of Cornwall since 1838, as fixed in that year, and charged upon the Consolidated Fund, of a sum of 16,216 *l.* 15 *s.* 1½ *d.* in lieu of tin coinage, post groats, and white rents, *Sir R. E. Welby* 112 —— Several sources of income (besides the receipts from post groats, tin coinage, and white rents) included in the net income of the Duchy in 1838, and in previous years, *ib.* 113–118——Inclusion since 1838 of a sum of 630 *l.* 14 *s.* 2 *d.* in lieu of post groats in the gross payment of 16,216 *l.*; receipt of only 10 *l.* a year by the Duchy in the ten previous years in respect of post groats, *ib.* 119–122.

Intention expressed by King William IV., and confirmed by Her Majesty, that the payment in respect of post groats should cease on and from the 5th April 1841; Treasury Minute of 15th February 1839 to the foregoing effect, *Sir R. E. Welby* 123–128. 133, 134. 146–151 —— Subsequent correspondence, in 1841, between the lessee of the post groats and the Treasury, which led to the continuance of the payment for another six months from the 5th April 1841; further Treasury Minute giving effect to this arrangement, *ib.* 129, 130. 148–172. 180–186.

Protest from the Duchy in 1841 against the discontinuance of the payment in respect of post groats, the Treasury having acquiesced therein, and the payment having been continued down to the present time; examination hereon as to the action of the Treasury in the matter, *Sir R. E. Welby* 129–186——Absence of any Treasury Minute respecting the continuance of the payment subsequently to the extension for six months in 1841, *ib.* 130. 145. 186.

Report, 1887—*continued.*

CORNWALL, DUCHY OF—continued.

Statement as to no intimation having been made to Parliament of the continuance of the payment, though in direct opposition to the Treasury Minute of 15th February 1839; denial that it was the duty of the Treasury to bring the matter before the Comptroller and Auditor General, *Sir R. E. Welby* 133-145. 173-178.

Circumstance of witness during his long service at the Treasury having never had his attention drawn (till quite recently) to the matter now under inquiry in the case of the Duchy of Cornwall, *Sir R. E. Welby* 173-179.

Absence of any Treasury Minute with reference to a letter from Thomas Abbot (on the part of the Duchy), dated 8th July 1841, as regards the payment of 630 *l.* 14 *s.* 2 *d.* in respect of post groats; the last Minute was that on 7th June 1841, directing payment for six months, *Sir R. E. Welby* 255-258.

Explanation of the practice of the Treasury in 1841, and at the present time in regard to the recording and signing of Minutes; statement hereon as to there being no record of any Minute or any decision of the Treasury authorising the continued payment in respect of post groat duty subsequently to 1841, *Sir R. E. Welby* 404-429. 470-475 ——Probability that some verbal instruction was given, which was not recorded as to the continuance of the payment, *ib.* 420-423.

Examination in detail with further reference to the action of the Treasury in continuing the payment for post groats after their abolition in 1838 by Act of Parliament; grounds upon which the Treasury probably concurred in the remonstrance of the Duchy against the discontinuance of the payment, *Sir R. E. Welby* 430-476——Effect of the birth of the Prince of Wales in 1841 in reviving the claim to the continuance of the payment; that is, in his capacity as Duke of Cornwall, *ib.* 434. 447-453.

Check in 1841 and subsequent years through the Comptroller of the Exchequer in the matter of the annual charge on the Consolidated Fund in respect of the continued payment in lieu of post groats, *Sir R. E. Welby* 467. 476.

Further examination in detail respecting the claim of the Duchy to the continued payment since 1841 of post groats or tin coinage duties, and the grounds upon which the Treasury concluded it was not in their power to alienate the sum in question from the Duchy, *Welby* 536-584——Statement on the subject of the income of the Prince of Wales, on his marriage, in right of the Duchy having been made up to 100,000 *l.* a year, *ib.* 585-590.

Letter from the Duchy of Cornwall to the Treasury in April 1841, enclosing letter and memorial from Mr. J. S. Tucker, respecting continued payment for two quarters from Lady Day, 1841, of the annual rate of compensation for loss sustained by the abolition of the post groat duty, *App.* 55, 56.

Treasury Minute of 7th June 1841 directing payment of 315 *l.* 7 *s.* 1 *d.* out of the Consolidated Fund to the Receiver General of the Duchy, *App.* 57.

Letter from the Duchy to the Treasury, dated 8th July 1841, stating that the abandonment by King William IV., and by Her present Majesty, of their claim to the duty cannot prejudice the rights of the future Dukes of Cornwall to compensation in lieu of the post groat duty, *App.* 57.

Total of 16,216 *l.* 15 *s.* as the annual payment out of the Consolidated Fund as compensation for the loss of duties on the coinage of tin, *App.* 58.

Cowper, Lord. See *Dauverquerque Pension.*

Creation Fees (*Duchies of Lancaster, Rutland, and Norfolk*). Examination respecting three annual payments in respect of creation fees to the Duchy of Lancaster, the Duke of Rutland, and the Duke of Norfolk, respectively, which were commuted by the Treasury in 1883; reference to Stubbs' Constitutional History as explaining the nature of these fees, *Sir R. E. Welby* 75-99——Contention of the Treasury that the foregoing sums were granted in perpetuity, or for a term not determinable with the life of the person on whom they were originally bestowed, *ib.* 94-99.

Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of these payments, *App.* 50——Particulars as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

Customary Deductions from Pensions. Information respecting the "customary deductions" from pensions in former years in respect of fees, these having been abolished, *Sir R. E. Welby* 534, 535.

Report, 1887—*continued.*

D.

Dauverquerque Pension. Explanation as to the number of years' purchase given on commutation of the annual payment to Lord Cowper (in respect of the Dauverquerque pension); more favourable terms to the public than in the case of the Melbourne pension with reference to the price of consols at the time, *Sir R. E. Welby* 64-66——Doubt as to the services for which the Dauverquerque pension of 2,000 *l.* a year was granted by the King to Lord Grantham in 1694, *ib.* 357-359.

Conclusion that Lord Cowper, who received 40,000 *l.* in commutation of four-fifths of the Dauverquerque pension (*App.* 49), was a lineal descendant of the original grantee, *Sir R. E. Welby* 360-362. 365.

Information to be obtained by witness respecting a payment of 375 *l.* 16 *s.* a year still being made to Mr. L. L. Cohen as part of the foregoing pension, *Sir R. E. Welby* 363-365.

Particulars in Paper submitted by Sir Reginald Welby relative to the amount and origin of the pension to Henry de Nassau, Lord D'Auverquerque; payment now made to L. L. Cohen in respect of portion of the original grant, *App.* 49——Acceptance of the offer of Lord Cowper in March 1853 to sell for 40,000 *l.* his portion of the amount, which was four-fifths of the whole, and amounted, net, to 1,503 *l.* 4 *s.*, *ib.*

Memorandum handed in by Sir Reginald Welby containing further information relative to this pension, *App.* 107.

Documentary Evidence. Belief that the Papers handed in by witness (*App.* 42 *et seq.*) include every pension or payment under the terms of the reference to the Committee; every effort has been made at the Treasury to make the list as complete as possible, *Sir R. E. Welby* 321, 322. 326.

Downshire, Marquis of. See *Hillsborough Fort.*

Dublin (Lord Mayor and Citizens of). Amount of perpetual payment charged on the Consolidated Fund in this case, and authority for such payment, *App.* 58.

Duchy of Cornwall. See *Cornwall, Duchy of.*

Dysart, Earl of. Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the grant now payable to the trustees and executors of the late Earl of Dysart in respect of rent issuing out of the Castle of Fillingharne (Wales), *App.* 49.

E.

Ecclesiastical Payments. Sundry small payments of an ecclesiastical character which have been commuted by the Treasury at about thirty years' purchase after negotiation with the Ecclesiastical Commissioners, *Sir R. E. Welby* 12, 13——Explanation as to so much as thirty years' purchase having been given in some cases, *ib.* 485, 486.

Considerable trouble given at the Treasury by the numerous payments for ecclesiastical and charitable purposes, so that it was deemed expedient to get rid of them by commutation at a higher rate than any given to individual pensioners, *Sir R. E. Welby* 507-509——A considerable number of ecclesiastical charges have been commuted, but some still remain, *ib.* 508, 509——Permanency of any ecclesiastical payment made since the time of Charles II., *ib.* 595.

Particulars of an ecclesiastical character respecting sundry perpetual payments, chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act 29 & 30 Vict. c. 62; amount and terms of redemption, *App.* 59-64.

Eden, Sir William. Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the grant to Sir William Eden in respect of a certain office and appointments which have been abolished, *App.* 45——Particulars as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

Edinburgh University. Amount of perpetual payment charged on the Consolidated Fund in this case, and authority for such payment; that is, as compensation under the Copyright Act, *App.* 58——Transfer of perpetual payments from the Land Revenues to the Consolidated Fund, *ib.* 68.

Report, 1887—*continued*.

Educational Payments. See *Schools.*

Exmouth, Viscount, Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the pension to Lord Exmouth, *App.* 42.

F.

Fees (*Deductions from Pensions*). Explanations respecting certain fees or "customary deductions" in former years from the pensions when issued from the Exchequer; subsequent reduction of the gross payments by the amount represented by these fees, which were swept away, *Sir R. E. Welby* 534, 535.

Fillingharne Castle (*South Wales*). Particulars relative to the amount and origin of a certain grant in respect of the Castle of Fillingharne, *App.* 49.

Furness (*Lancaster*), *Lord of the Liberty of.* Information in Paper submitted by Sir Reginald Welby relative to the grant to the Lord of the Liberty of Furness, now payable to E. Wadham, *App.* 47.

Future Generations. Conclusion of the Committee that it is unjust that future generations should be burdened with payments to persons who have had no share in the original services for which grants in perpetuity have been made, *Rep.* iii.

G.

Glasgow University. Amounts of perpetual payments charged on the Consolidated Fund in this case, and authority for such payments, *App.* 58. 68.

Goodwood Estates. See *Richmond and Gordon, Duke of.*

Grafton, Duke of:

Information respecting several pensions or payments to the Duke of Grafton, the authority under which commuted, and the amount of the purchase-money in each case, *Sir R. E. Welby* 26. 28–56——Net pension of 7,191 *l.* 12 *s.* to the Duke of Grafton in the year 1855–56, charged upon the Excise, which was commuted for the sum of 193,777 *l.*, *ib.* 30–34——Additional pension (net) of 3,384 *l.*, charged upon the Post Office, which was commuted in 1856 for 125,000 *l.*, *ib.* 35–39.

Further payment of 6,800 *l.* out of money invested in land, produced by commutation of prisage and butlerage duties on wine, *Sir R. E. Welby* 41. 47–49. 51–53——Additional pension of 843 *l.*, together with a small pension of 62 *l.* 9 *s.* 8 *d.*, the latter being in respect of the office of Remembrancer of First Fruits and Tenths and Officer of the Pipe, and having passed out of the hands of the family by sale, *ib.* 41–43. 54–56.

Inability of witness to state whether the letters patent under which the Duke of Grafton's pensions were granted specified whether any consideration was given, *Sir R. E. Welby* 44–46.

Investment of a sum of 229,000 *l.* in the name of trustees for securing the annuity of 6,870 *l.* to the Duke of Grafton, this sum having been reduced to 30,555 *l.* by investments in land, but without any account thereof being kept at the Treasury, *Sir R. E. Welby* 187–207—— Explanation that information on the foregoing point can probably be obtained through the First Lord of the Treasury, as being one of the trustees, or through the solicitors of the Duke of Grafton, *ib.* 190–212. 225–227.

Reversion to the Crown in the event of failure of heirs in the Grafton family; belief, however, that there are no means at the Treasury of identifying the lands purchased out of portion of the sum of 229,000 *l.*, *Sir R. E. Welby* 192–207—— Doubt as to there being any copies of correspondence at the Treasury with the solicitors to the Duke of Grafton respecting investments in land, *ib.* 225–228.

Transfer of 500 acres of land, with Wakefield Lodge, to the Duke of Grafton in commutation of his rights and privileges as Perpetual Ranger of Whittlewood Forest; that is, when the disafforestation took place, some thirty years ago, *Sir R. E. Welby* 262–266. 269, 270—— Doubt as to the circumstances under which between 200 and 300 acres in Salcey Forest, together with Salcey Lodge, were transferred to the Duke of Grafton, *ib.* 267, 268.

Recent communication of witness, at the instance of the First Lord of the Treasury, with the representatives of the Duke of Grafton upon the subject of their supplying particulars

GRAFTON, DUKE OF—continued.

culars of purchases of lands out of moneys invested for his pension, *Sir R. E. Welby* 271, 272——Undertaking given by the representatives of the Duke to furnish certain particulars, if so requested by the Committee; resolution to this effect adopted by the Committee both as regards the Duke of Grafton and the Duke of Richmond, *ib.* 272. 282. 289-292.

Direction under the Duke of Grafton Act of 1815 (55 Geo. 3, c. 56) that copies of all deeds relating to purchase of land should be deposited in the Land Revenue Office; imperfect compliance with this requisition, there being several missing copies, *Sir R. E. Welby* 272-282——Statement to the effect that the duty was not thrown upon the Land Revenue Office to see that all the transactions were recorded in the office, but only to receive the deeds or copies that were sent; question hereon whether the First Lord of the Treasury might not, as trustee, have taken steps for ensuring the deposit of copies of all the transactions, *ib.* 283-288.

Belief that the Grafton pension has now entirely ceased, having been all commuted, *Sir R. E. Welby* 388——Large aggregate amount paid to the Grafton family before the final commutation; probability that as much as 4,000,000 *l.* has been paid, *ib.* 389-392.

Statement to the effect that there is no account on record at the Treasury respecting the capital fund invested in consols in the case of the Grafton annuity, or the purchases of land made out of such fund, *Sir R. E. Welby* 512-517——Belief that the land in question was purchased partly with the private money of the Duke, and partly with the proceeds of the consols, *ib.* 518-520.

Further particulars in Paper supplied by Sir Reginald Welby relative to the pension of 843 *l.* granted to the Duke of Grafton, *App.* 45—— Particulars as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

Paper submitted by Sir Reginald Welby, containing particulars of lands purchased out of the proceeds of sale of the greater part of the sum of 229,000 *l.*, consols, and showing how this sum has been reduced to 30,555 *l.* 10 *s.* 8 *d.* (stock), *App.* 75-77.

Letter from Mr. Frederick Hillard, dated Office of Woods, &c., 18th March 1887, explaining the title under which the Duke of Grafton held Salcey Lodge and the lands in and adjoining Salcey Forest, *App.* 78.

Statement (prepared by Messrs. Farrer & Co.) showing the dealings with the Prisage Fund of 229,000 *l.*, and the payments in detail in respect of land, &c., *App.* 79-82.

Grand Falconer and Master of the Hawks. See *St. Albans, Duke of.*

H.

Hamilton, Mrs. Sarah. Impression that a pension of 625 *l.* a year to Mrs. Sarah Hamilton and her children was not perpetual, and has expired in the ordinary course, *Sir R. E. Welby* 327-331.

Harrison, R. (*Officer of the Pipe*). Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the payment to Mr. R. Harrison in respect of this office, *App.* 46.——*See* also *Grafton, Duke of.*

Hawks, Master of. See *St. Albans, Duke of.*

Heneage, G. H. W. Salary of 588 *l.* 6 *s.* 9 *d.*, formerly paid to Mr. G. H. W. Heneage, as Hereditary Chief Proclamator and Usher; belief that this office, which was held in perpetuity, was a sinecure, *Sir R. E. Welby* 332-348——Commutation, in 1886, of the pension to Mr. Heneage, for the sum of 15,852 *l.* 15 *s.*, the pension having been fixed on the abolition of the office by the Act 15 & 16 Vict. c. 73, since which period no services have been rendered, *ib.* 335-348.

Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the grant to Mr. Heneage, as Hereditary Chief Proclamator and Usher, *App.* 46——Particulars as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

Memorandum handed in by Sir Reginald Welby containing further information relative to this pension, *App.* 107.

Hereditary Pensions, &c. Detailed lists of all hereditary pensions, payments, and allowances in existence on 1st January 1881, which were either chargeable on the Consolidated Fund or payable from voted moneys, with an explanation of the origin in each case and the grounds of the original grant, *App.* 42-50.

Particulars respecting salaries charged on the Consolidated Fund payable to hereditary officers in Scotland, *App.* 71.

Report, 1887—*continued.*

Hereditary Pensions, &c.—continued.

Resolution of the Committee that pensions, allowances, and payments ought not in future to be granted in perpetuity, on the ground that all such grants should be limited to the persons actually rendering the services intended to be rewarded by such grants, and that such rewards should be wholly or in main part defrayed by the generation benefited by the services so recognised, *Rep.* iii.

Further resolution of the Committee that all existing perpetual pensions, allowances, and payments, and all hereditary offices, should be determined and abolished, *Rep.* iii.

See also *Commutation of Pensions.* *Grafton, Duke of.* *Heneage, G. H. W.* *Marlborough, Duke of.* *Penn Pension.* *Richmond and Gordon, Duke of.* *St. Albans, Duke of.*

Heritable Usher of Scotland. Annual amount and origin of the salary paid in respect of this office, *App.* 71.

Hillsborough Fort. Impression that some expenses are incurred in return for the pension paid to the Constable of Hillsborough Fort, *Sir R. E. Welby* 533.

Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the payment to the Marquis of Downshire as Constable of the Fort of Hillsborough, *App.* 49 — Transfer of the charge, in 1868, from the Land Revenues to the Consolidated Fund, *ib.*

Holyrood Palace. Annual amount and origin of the salary paid in respect of the office of Hereditary Keeper of the Palace, *App.* 71.

Hulse, Sir Edward. Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the compensation payment made to Sir Edward Hulse in respect of certain offices connected with fines and recoveries in the Court of Chancery, which offices have been abolished, *App.* 46.

I.

Isle of Man. Annual amounts chargeable on voted moneys in respect of grants to incumbents and schoolmasters of the Isle of Man; origin of the charge, *App.* 69.

K.

King's Inn Library (Dublin). Amount of perpetual payment charged on the Consolidated Fund in this case, and authority for such payment, *App.* 58.

Kintoul, Earl of. Paper handed in on the part of the Treasury containing particulars relative to the original grant to the Earl of Kintoul, and the terms of redemption, *App.* 45.

L.

Lancaster, Duchy of. Information as to the origin of the payment to the Duchy of Lancaster under the head of creation fees, *Sir R. E. Welby* 75-99——Explanation as regards an annuity to the Duchy in lieu of prisage and butlerage on wines, that this was a commutation many years ago of certain rights of the Crown in former times, *ib.* 229–231.

Particulars in Paper submitted by Sir Reginald Welby relative to the amount and origin of the creation fees payable to the Duchy of Lancaster, *App.* 50——Particulars also as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

Total of 803 *l.* as the perpetual charge or annuity in lieu of prisage and butlerage on wines, the authority being under the Act 2 & 3 Will. 4, c. 84, *App.* 58.

Papers submitted by Sir Reginald Welby in explanation of creation money paid to the Duchy under different heads, the total being 100 *l.* 10 *s.* 10 *d.* yearly, *App.* 72–74.

Land Revenues of the Crown. Particulars respecting sundry perpetual payments, chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenues under the Act 29 & 30 Vict. c. 62; amount and terms of redemption, *App.* 59–68.

Lapsed

Lapsed Payments. Instances of a few small perpetual payments of grants which have not been paid for a great number of years and are considered to have lapsed, *Sir R. E. Welby* 322.

Life Pensions. Resolution of the Committee that where no service or merely nominal service is rendered by the holder of an hereditary office, and where no service or merely nominal service was rendered by the original grantee, the pension, allowance, or payment shall in no case continue beyond the life of the present holder or recipient, *Rep.* iii.

Lutheran Chapel. Explanation of the circumstances under which a term of only ten years was given in respect of a payment, not perpetual, to the German Lutheran Chapel, *Sir R. E. Welby* 14-18.

Paper submitted by Sir Reginald Welby containing particulars relative to this payment and its redemption, *App.* 59.

M.

Marlborough, Duke of. Inability of witness to find any record of negotiations with the Duke of Marlborough respecting the commutation of the perpetual pension of 5,000 *l.* gross, *Sir R. E. Welby* 259——Explanation that the Act relating to the Honour and Manor of Woodstock, and the Crown rights in respect thereof, are not in any way affected by commutation, *ib.* 260, 261.

Paper handed in on the part of the Treasury containing particulars relative to the original grant, *App.* 43——Particulars in this Paper as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

Statements in Memorandum by Mr. C. Bradlaugh, submitted to the Treasury in June 1884, relative to several acts of treachery, corruption, and embezzlement of public monies on the part of the first Duke of Marlborough, *App.* 53, 54.

Marsh's Library, St. Patrick's, Dublin. Amount of perpetual payment charged on the Consolidated Fund in this case, and authority for such payment, *App.* 58.

Master of the Hawks. See *St. Albans, Duke of.*

Melbourne Pension. Statement as to the number of years' purchase of former pensions to Lord Melbourne and Lord Cowper respectively, *Sir R. E. Welby* 64-66——First instance, in Lord Melbourne's case, in 1826, of the exercise of Treasury power to commute without an Act or Vote of Parliament, *ib.* 68.

Statement showing that the commutation of Lord Melbourne's pension in 1826 for 30,000 *l.* was a good financial operation for the Treasury in view of the price of consols at the time, *Sir R. E. Welby* 600–602.

Mostyn, Sir E. Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the pension to Sir E. Mostyn on the abolition of the office of Custos Brevium of the Court of Common Pleas and certain other appointments, *App.* 45——Particulars as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

N.

Nelson, Lord. Payment of the Nelson pension of 5,000 *l.* a-year since the Act 46 Geo. III. in 1806, the present Lord Nelson being the great nephew of the first Lord Nelson; direct authority in the Act for this payment as continued, *Sir R. E. Welby* 381–387. 395–399.

Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the pension to Lord Nelson, *App.* 42.

Norfolk, Duke of. Explanations respecting "creation fees" paid to the Duke of Norfolk, *Sir R. E. Welby* 75-99.

Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the creation fees payable to the Duke of Norfolk, *App.* 50——Particulars as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

Extracts from grants of creation money to the Duke of Norfolk at different periods, *App.* 51, 52.

O.

Officer of the Pipe. Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the payment now made to Mr. Harrison in respect of this office, *App.* 49.——*See* also *Grafton, Duke of.*

Origin of Grants and Pensions. Detailed lists of all hereditary pensions, payments, and allowances in existence on 1st January 1881, which were either chargeable on the Consolidated Fund or payable from voted moneys, with an explanation of the origin, in each case, and the grounds of the original grant, *App.* 42-50.

Ormonde, Lord. Commutation, about the end of the last century, of the rights of the Earl of Ormonde in respect of prisage and butlerage on wines in Ireland; Act of Parliament in this case under which a sum of money, or a sum in consols, was granted to Lord Ormonde in lieu of these rights, *Sir R. E. Welby* 233-235.

Full information procured by witness, since his former examination, respecting prisage and butlerage on wines, with special reference to Ireland and the grant to the Duke of Ormonde; sundry details hereon, *Sir R. E. Welby* 310, 311.

Oxford University. Annual amount chargeable on voted moneys in respect of compensation to the university for loss of the privilege of printing and vending almanacks; origin of the charge, *App.* 69.

P.

Parliamentary Control. See *Commutation of Pensions, &c. Treasury.*

Pendrell Pension. Paper handed in by Sir Reginald Welby containing information relative to the Pendrell pension, and the amounts to be paid to different members of the family and their heirs, *App.* 92.

Copy of the letters patent setting forth the original grant; large number of the fee-farm rents, formerly payable to the Crown, of which the pension is made up, *App.* 92-97.

Penn Pension. Consideration given by the Treasury at the time to a Memorandum handed in by Mr. Bradlaugh in June 1884 on the Penn and Marlborough pensions; previous reference of the question of perpetuity of the Penn pension to the legal advisers of the Treasury, who held that it was in the nature of a perpetual payment, *Sir R. E. Welby* 102-111—— Conclusion of the legal advisers of the Treasury in the foregoing case that Colonel Stuart, who was the recipient of the pension at the time of the commutation, was legally entitled thereto in perpetuity as the representative of the Penn family, *ib.* 108-111.

Commutation in 1884 of the whole of the Penn pension of 4,000 *l.* a year (paid since 1790) for the sum of 107,780 *l.*, *Sir R. E. Welby* 371-373—— Doubt whether the persons to whom the pension was paid were the heirs or descendants of William Penn; reference to the Act of Parliament as the authority upon which the payments were made by the Treasury, *ib.* 374-380——Legal advice taken by the Treasury before commuting the Penn pension in favour of Colonel Stuart as the rightful claimant, *ib.* 400-402.

Paper handed in on the part of the Treasury containing particulars relative to the original grant, *App.* 43——Particulars also as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

Memorandum submitted to the Treasury by Mr. Bradlaugh, in June 1884, respecting the Penn pension; statement thereon that Colonel W. Stuart is not the heir or nearest descendant in blood of William Penn, *App.* 54.

Perpetual Payments. Statement proposed to be put in containing various particulars in connection with hereditary pensions, payments, and allowances; addition to be made thereto in respect of payments which are perpetual, but not hereditary, *Sir R. E. Welby* 5-11. 19, 20.

Inclusion of all perpetual payments as well as hereditary payments in the Paper furnished to the Committee; non-distinction between the two in the Treasury books, *Sir R. E. Welby* 479-481.

Conclusion that a payment without intermission from the time of Charles II. must be considered permanent, *Sir R. E. Welby* 595.

Detailed

Report, 1887—*continued.*

Perpetual Payments—continued.

Detailed list of perpetual pensions and allowances in existence on 1st January 1881 (other than those included in the Return of Hereditary Pensions, &c.), *App.* 58–70.

See also *Commutation of Pensions, &c.* *Hereditary Pensions.*

Post Groats Duty. See *Cornwall, Duchy of.*

Prisage and Butlerage on Wines. See *Grafton, Duke of.* *Lancaster, Duchy of.* *Ormonde, Lord.*

R.

Redemption (*Commutation of Pensions &c.*). See *Commutation of Pensions.*

Remembrancer of First Fruits and Tenths. See *Grafton, Duke of.*

Richmond and Gordon, Duke of:

Statement as to the Treasury having no record of the transactions whereby a sum of 633,333 *l.* 6 *s.* 9 *d.* for providing an annuity of 19,000 *l.* to the Duke of Richmond has been reduced to 36 *l.* 0 *s.* 9 *d.*; information obtainable through the First Lord as one of the trustees, *Sir R. E. Welby* 213–326.

Witness has recently communicated with the representatives of the Duke of Richmond on the subject of their supplying particulars of purchases out of moneys invested for payment of his pension, *Sir R. E. Welby* 271, 272——Resolution adopted by the Committee as to the Treasury furnishing particulars in respect of purchases of lands, &c., *ib.* 292.

Paper handed in to the Committee, as recently supplied to witness by the representatives of the Duke of Richmond, containing information respecting the lands purchased out of the sum invested for securing the annuity of 19,000 *l.*, *Sir R. E. Welby* 294—— Legal question raised upon the foregoing Paper, and upon certain deeds in 1861, whether the Parliamentary reversion was not affected by the latter, *ib.* 294. 314-320—— Much less full information in this Paper than in that supplied by the Duke of Grafton's representatives; absence of any obligation upon the Duke of Richmond to register his deeds at the Land Record Office, *ib.* 295. 301. 306.

Considerable expense necessary (as witness has been informed) if the Duke of Richmond were required to search through all his deeds in order to supply full particulars respecting the lands and purchases in question; entire readiness of the Duke to furnish full and adequate information, *Sir R. E. Welby* 295–303.

Statement on the subject of the First Lord of the Treasury, as one of the trustees, not having furnished the Treasury with copies of any deeds, there being no record of any declaration of trust which has ever been executed; explanation hereon as to the draft trust deed having been limited to the Scotch estates, *Sir R. E. Welby* 304-309. 312–320.

Explanation that the original grant in the case of the Duke of Richmond was to the heirs and not to the "heirs male," as inaccurately stated in one of the Papers from the Treasury, *Sir R. E. Welby* 322–324——Reference to the Act 39 & 40 Geo. 3, as showing that the grant was to the "heirs" of the Duke, *ib.* 324, 325.

Statement (prepared by Messrs. Davidson, Burch & Co.) showing how the sum of 633,333 *l.* 6 *s.* 9 *d.* Consols was made up; that is, in order to meet the annuity of 19,000 *l.*, *App.* 83.

Information respecting the lands purchased, where situated, their extent, description, &c., *App.* 83-86.

Copy of the Letters Patent of 18th December 1676, granting to Charles, Duke of Richmond, 12 *d.* per chaldron of coal shipped at Newcastle-upon-Tyne, *App.* 87–92.

Further Paper handed in by Sir Reginald Welby, as supplied by the Parliamentary Trustees of the Goodwood Estates, respecting the dealings with the Consols transferred to the trustees in exchange for the annuity of 19,000 *l.*, and showing how this sum, with certain additions arising from sales and enfranchisements, has been reduced by purchases of land, &c., to 241 *l.* 12 *s.* 5 *d.*, *App.* 98-106.

Rodney, Lord. Information in Paper submitted by Sir Reginald Welby, relative to the amount and origin of the pension to Lord Rodney, *App.* 44.

Rutland, Duke of. Statement in explanation of the annual payment, under the head of creation fees, to the Duke of Rutland, *Sir R. E. Welby* 75–99.

Rutland, Duke of—continued.

Doubt as to any copies of correspondence at the Treasury with the solicitors to the Duke of Rutland respecting investments in land, *Sir R. E. Welby* 225–228.

Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the creation fees payable to the Duke of Rutland, *App.* 50——Particulars as to the date of redemption, the amount, how provided, and the number of years' purchase, *ib.*

Letters Patent, of the 17th year of Henry VIII., creating Thomas Maners Earl of Rutland, and granting him creation-money of 20 *l.* a year, *App.* 52.

S.

St. Albans, Duke of. Reference to the payment to the Master of the Hawks as having been treated as an allowance, no service being rendered in return for such payment, *Sir R. E. Welby* 237——Opinion of the law officers of the Treasury in 1831 to the effect that it was imperative upon the Treasury to continue the annual payment of 965 *l.* to the Duke of St. Albans, as Master of the Hawks, *ib.* 349–353. 355——Belief that hawks are not kept by the Duke, and that no duties are imposed upon him in connection with the office in question, *ib.* 354–356.

Circumstance of negotiations having commenced, before the motion in the House for the appointment of the present Committee, for commutation of the payment to the Duke of St. Albans; witness does not feel at liberty to state the terms offered by the Treasury, *Sir R. E. Welby* 521–526.

Further statement that it is improbable that any services are rendered or expenses incurred in respect of the office of Hereditary Grand Falconer or Master of the Hawks; belief, however, that the Treasury have been legally advised that the Duke of St. Albans is entitled to the total payment of 965 *l.* a year, *Sir R. E. Welby* 527–532.

Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the payment in respect of the office of Master of the Hawks, *App.* 48—— The annual sums granted by the original Patent were 391 *l.* 1 *s.* 5 *d.* as salary, 200 *l.* for four falconers, 600 *l.* for provision of hawks, and 182 *l.* 10 *s.* for provision of pigeons, hens, and other meats, *ib.*——Total of 1,373 *l.* 11 *s.* 5 *d.* under the original grant, which has been reduced by office fees, &c., to 965 *l.*, *ib.*

St. Andrew's University. Amounts of perpetual payments charged on the Consolidated Fund in this case, and authority for such payments, *App.* 58. 68.

Salaries (*Permanent or Hereditary*). Statement as to witness having omitted from the Treasury returns all permanent payments which are classed as salaries, though some of these are hereditary; further return to be submitted, including all hereditary payments, *Sir R. E. Welby* 236–243——Instances of hereditary payments in Scotland which have been classed as salaries, *ib.* 236. 239, 240.

Particulars respecting salaries charged on the Consolidated Fund payable to hereditary officers in Scotland, *App.* 71.

Salcey Forest. See *Grafton, Duke of.*

Schomberg, Duke of. Commutation in 1883 of some of the payments comprised in the Schomberg pension of 984 *l.* a year, *Sir R. E. Welby* 366——Payments to the amount of 720 *l.* a year still being made in respect of the foregoing pension, the recipients being Mr. Powis and Mr. Gosling; information to be supplied as to whether these are descendants of the Schomberg family, *ib.* 366–370.

Paper handed in on the part of the Treasury containing particulars relative to the original grant, *App.* 44——Particulars also as to the date of the redemption, the amount, how provided, and the number of years' purchase, *ib.*

Memorandum handed in by Sir Reginald Welby containing further information relative to this pension, *App.* 107.

Schools. Approval of commutation in the case of perpetual payments to grammar schools, *Sir R. E. Welby* 596–598.

Particulars respecting sundry perpetual payments chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act 29 & 30 Vict. c. 62; amount of redemption, *App.* 64–67.

Scotch Universities. Approval of commutation of certain payments for the Scotch universities, &c.; expediency of check by the Treasury where a distinct service is attached to any such payments, *Sir R. E. Welby* 596–598.

Scotch Universities—continued.

Returns containing particulars as to perpetual payments to the Universities of Aberdeen, St. Andrew's, Edinburgh, and Glasgow, *App.* 58. 68.

Services in Return for Pensions. Doubt whether in any case of commutation the terms have been affected by the fact that no service was being tendered in return for the pension, *Sir R. E. Welby* 502–506. 529——Expediency of check by the Treasury where a distinct service is attached to any payment to universities or grammar schools, &c., *ib.* 596–598.

Statement in memorandum by Mr. Bradlaugh as to the Committee appointed by the House of Commons in December 1837 having distinguished between pensions where "real and meritorious services had been rendered" by the grantee, and pensions which had originated without such justification, *App.* 53.

Resolution of the Committee that pensions, allowances, and payments ought not in future to be granted in perpetuity, on the ground that all such gants should be limited to the persons actually rendering the services intended to be rewarded by such grants, and that such rewards should be wholly or in main part defrayed by the generation benefited by the services so recognised, *Rep.* iii——Conclusion also that it is unjust that future generations should be burdened with payments to persons who have had no share in the original services for which grants in perpetuity have been made, *ib.*

Further resolution of the Committee that offices with salaries and without duties, or with merely nominal duties, ought to be abolished, *Rep.* iii——In all such commutations the Lords of the Treasury should take into consideration the circumstances of such pension, allowance or payment, and whether or not any real service had been rendered by the original grant or was now performed by the actual holder of the office, *ib.*

Further resolution of the Committee that where no service, or merely nominal service, is rendered by the holder of an hereditary office, and where no service, or merely nominal service, was rendered by the original grantee of the pension, allowance, or payment attached to such office, the pension, allowance, or payment shall in no case continue beyond the life of the present holder or recipient, *Rep.* iii.

Sinecures. See *Services in Return for Pensions.*

Sion College. Amount of perpetual payment charged on the Consolidated Fund in this case, and authority for such payment, *App.* 58.

Stewart, Colonel. See *Penn Pension.*

T.

Taynton (*Oxford*), *Lord of the Manor of.* Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of the grant in this case, *App.* 48—— Particulars also as to the date of redemption, the amount how provided, and the number of years' purchase, *ib.*

Tin Coinage (*Duchy of Cornwall*). See *Cornwall, Duchy of.*

Treasury:

Explanation as to the statutory and other authority under which a discretionary power has been vested in, and exercised by, the Treasury as to the rates of commutation, *Sir R. E. Welby* 12–36. 57–74——Discussion before the Select Committee on Public Moneys in 1856 as to the power exercised by the Treasury in redeeming hereditary pensions out of the gross revenues without bringing the matter before Parliament, *ib.* 24. 33, 34. 69–74——Commutation of several pensions by the Treasury without special authority under any such Act as that of 1873, *ib.* 25.

Discretion given to the Treasury under the Act 19 & 20 Vict. c. 43 (1856), as to redeeming the annuities or pensions to the Earl of Bath, the Duke of Grafton, the Duke of Schomberg, and to Henry of Nassau, *Sir R. E. Welby* 26, 27. 36——Right of commutation first exercised by the Treasury, without an Act of Parliament, in Lord Melbourne's case in 1826, *ib.* 68.

Explanation as regards former commutations without statutory power or vote of Parliament discussed before the Committee of 1856-57, that the Treasury do not claim any such power at the present time, *Sir R. E. Welby* 100–102——Obligation upon the Treasury not to pay in excess of grants of Parliament; check applied through the Comptroller and Auditor General, *ib.* 143.

Special authority given by Parliament to the Treasury as regards commutation of pensions since the date of the Committee on Public Moneys, when Lord Monteagle submitted that the terms should first be approved by Parliament, *Sir R. E. Welby* 252–254.

TREASURY—continued.

Explanation with further reference to the exercise by the Treasury of the power of commutation previously to the Act of 1873; the opinion of the law officers was probably taken, *Sir R. E. Welby* 403-406. 430-432.

Explanatory statement as to the former and present practice of the Treasury in regard to the recording and signing of minutes in reference to warrants for payment of pensions, *Sir R. E. Welby* 407-429. 470-475—Further explanation of the practice at the Treasury in connection with warrants for payment of pensions out of the Consolidated Fund; duty of the officer who prepares the warrant to see that there is authority for the charge, *ib.* 461-476.

Discretion left to the Treasury under the Commutation Act as to making the best bargain in commuting any perpetual payment or pension, due regard being had to the equity of each case, *Sir R. E. Welby* 482-492—Explanation that there is a report by the Treasury solicitor on each case as regards the permanence of the pension, this question being duly considered, *ib.* 490-501. 504.

Grounds for the view of the Treasury that a perpetual charge upon the Consolidated Fund was roughly equivalent to consols value, *Sir R. E. Welby* 492, 493—Enhanced rate given by the Treasury in the case of charitable and ecclesiastical payments, these causing much trouble to the Department, *ib.* 507-509.

Commutation of numerous pensions when Mr. Courtney was at the Treasury, a few having been commuted when Lord Frederick Cavendish was Secretary, *Sir R. E. Welby* 591-593.

Resolution of the Committee that some pensions appear to have been commuted notwithstanding formal objections in writing lodged with the Lords of the Treasury, and without sufficient inquiry into the matters stated in such objections, *Rep.* iii.

See also *Cornwall, Duchy of. Grafton, Duke of. Marlborough, Duke of. Melbourne Pension. Penn Pension. Richmond and Gordon, Duke of. St. Albans, Duke of. Services in Return for Pensions.*

Trinity College, Cambridge. Annual amount chargeable on voted moneys in respect of creation money payable to the bursar of Trinity College for the counties of Cambridge and Hunts; origin of the charge, *App.* 70.

U.

Universities. Particulars respecting sundry perpetual payments chargeable on the Consolidated Fund on 1st January 1881, having been transferred from the Land Revenue of the Crown under the Act, 29 & 30 Vict. c. 62, *App.* 67, 68.

See also *Scotch Universities.*

W.

Wales, H.R.H. The Prince of. See *Cornwall, Duchy of.*

Warren, Thomas (Heirs of). Information in Paper submitted by Sir Reginald Welby relative to the amount and origin of a certain pension to the heirs of Thomas Warren, *App.* 47.

Welby, Sir Reginald Earle, K.C.B. (Analysis of his Evidence.)—Explanation that witness has collected information for the Committee on various matters referred to him by Mr. Bradlaugh, but is not fully prepared to be finally examined thereupon on the present occasion, 1-4—Statement proposed to be put in, containing various particulars in connection with hereditary pensions, payments, and allowances; addition to be made thereto in respect of payments which are perpetual, but not hereditary, 5-11. 19, 20.

Discretionary powers vested in the Treasury as to the rates of commutation of permanent charges; statutory and other authority under which this power has been exercised by the Treasury (to the best of its ability) on different occasions, 12-36. 57-74—Numerous small payments, of a permanent character, for charitable and ecclesiastical purposes, which were commuted by the Treasury at about thirty years' purchase, after negotiation with the Charity Commissioners and Ecclesiastical Commissioners, to whom the payments were transferred, 12, 13.

Term of about twenty-seven years given in the case of individual pensions; conclusion that on the basis of the price of consols at the time of commutation the public were

Welby, Sir Reginald Earle, K.C.B. (Analysis of his Evidence)—*continued.*

were gainers, 12, 13. 57-66——Explanation of the circumstances under which a term of only ten years was given in respect of a payment, not perpetual, to the German Lutheran Chapel, 14-18——Instances of more than thirty years having been paid, consols price having been given, 19.

Statutory power under which the Commissioners of Woods and Forests have commuted sundry small pensions or permanent payments not exceeding 10 *l.*; 23, 24——Discussion before the Select Committee on Public Moneys in 1856 as to the power exercised by the Treasury in redeeming hereditary pensions out of the gross revenues without bringing the matter before Parliament, 24. 33, 34. 69-74——Discretion given to the Treasury under the Act 19 & 20 Vict. c. 43 (1856), as to redeeming the annuities or pensions to the Earl of Bath, the Duke of Grafton, the Duke of Schomburg, and to Henry of Nassau, 26, 27. 36.

Information respecting several pensions or payments to the Duke of Grafton, the authority under which commuted, and the amount of the purchase-money in each case, 28-56——Net pension of 7,191 *l.* 12 *s.* to the Duke of Grafton in the year 1855-56, charged upon the Excise, which was commuted for the sum of 193,777 *l.*; 30-34——Further pension (net) of 3,384 *l.* to the Duke of Grafton, charged upon the Post Office, which was commuted in 1856 for 125,000 *l.*; 35-39——Additional pensions to the Duke of Grafton of 843 *l.* and 62 *l.* 9 *s.* 8 *d.*, the latter having passed out of the hands of the family, 40-43. 50. 54-56——Further payment of about 6,800 *l.* out of money invested in land, produced by commutation of Prisage and Butlerage duties on wine, 41. 4749. 51-53——Inability of witness to state whether the letters patent under which the Duke of Grafton's pensions were granted specified whether any consideration was given, 44-46.

Statement as to the number of years' purchase of former pensions to Lord Melbourne and Lord Cowper; more favourable terms to the public in the latter case on the basis of the price of consols at the time, 64-66——First instance in Lord Melbourne's case in 1826 of the exercise of Treasury power to commute without an Act or Vote of Parliament, 68.

Examination respecting three annual payments, in respect of creation fees, to the Duchy of Lancaster, the Duke of Rutland, and the Duke of Norfolk, respectively, which were commuted by the Treasury in 1883; reference to Stubbs' Constitutional History as explaining the nature of these fees, 75-99——Contention of the Treasury that the foregoing sums were granted in perpetuity or for a term not determinable with the life of the person on whom they were originally bestowed, 94-99.

Explanation as regards former commutations without statutory power or Vote of Parliament discussed before the Committee of 1856-57, that the Treasury do not claim any such power at the present time, 100-102.

Consideration given by the Treasury, at the time, to a memorandum handed in by Mr. Bradlaugh in June 1884 on the Penn and Marlborough pensions; previous reference of the question of perpetuity of the Penn pension to the legal advisers of the Treasury who held that it was in the nature of a perpetual payment, 102-111——Conclusion of the legal advisers of the Treasury in the foregoing case that Colonel Stewart, who was the recipient of the pension at the time of the commutation, was legally entitled thereto in perpetuity as the representative of the Penn family, 108-111.

Payment to the Duchy of Cornwall since 1838, as fixed in that year and charged upon the Consolidated Fund, of a sum of 16,216 *l.* 15 *s.* 1½ *d.*, in lieu of tin coinage, post groats, and white rents, 112——Several sources of income (besides the receipts from post groats, tin coinage, and white rents) included in the net income of the Duchy in 1838 and in previous years, 113-118——Inclusion since 1838 of a sum of 630 *l.* 14 *s.* 2 *d.*, in lieu of post groats, in the gross payment of 16,216 *l.* 15 *s.* 1½ *d.*; receipt of only 10 *l.* a year by the Duchy in the previous ten years in respect of post groats, 119-122.

Intention expressed by King William IV. and confirmed by Her Majesty, that the payment in respect of post groats should cease on and from the 5th April 1841; Treasury Minute of 15th February 1839 to the foregoing effect, 123-128. 133, 134. 146-151——Subsequent correspondence, in 1841, between the lessee of the post groats and the Treasury which led to the continuance of the payment for another six months from the 5th April 1841; further Treasury Minute giving effect to this arrangement, 129, 130. 148-172. 180-186.

Protest from the Duchy in 1841 against the discontinuance of the payment in respect of post groats, the Treasury having acquiesced therein, and the payment having been continued down to the present time; examination hereon as to the action of the Treasury in the matter, 129-186——Absence of any Treasury Minute respecting the continuance of the payment subsequently to the extension for six months in 1841; 130. 145. 186.

Statement as to no intimation having been made to Parliament of the continuance of

Report, 1887—*continued.*

Welby, Sir Reginald Earle, K.C.B. (Analysis of his Evidence)—*continued.*

the payment, though in direct opposition to the Treasury Minute of 15th Febrnary 1839; denial that it was the duty of the Treasury to bring the matter before the Comptroller and Auditor General, 133–145. 173–178——Obligation upon the Treasury not to pay in excess of grants of Parliament; check applied through the Comptroller and Auditor General, 143——Circumstance of witness during his long service at the Treasury having never had his attention drawn (till quite recently) to the matter now under inquiry in the case of the Duchy of Cornwall, 173–179.

Investment of a sum of 229,000 *l.* in the name of trustees for securing the annuity of 6,870 *l.* to the Duke of Grafton, this sum having been reduced to 30,555 *l.* by investments in land, but without any account thereof being kept at the Treasury, 187–207——Explanation that information on the foregoing point can probably be obtained through the First Lord of the Treasury, as being one of the trustees, or through the solicitors of the Duke of Grafton, 190–212. 225–227——Reversion to the Crown in the event of failure of heirs in the Grafton family; belief, however, that there are no means at the Treasury of identifying the lands purchased out of portion of the sum of 229,000 *l.*; 192–207.

Statement as to the Treasury having no record of the transactions whereby a sum of 633,333 *l.* 6 *s.* 9 *d.* for providing an annuity of 19,000 *l.* to the Duke of Richmond has been reduced to 86 *l.* 0 *s.* 9 *d.*; information obtainable through the First Lord as one of the trustees, 213–226—— Doubt as to any copies of correspondence at the Treasury with the solicitors to the Duke of Rutland or the Duke of Grafton respecting investments in land, 225–228.

[Second Examination.]—Explanation as regards an annuity to the Duchy of Lancaster in lieu of Prisage and Butlerage on Wines, that this was a commutation many years ago of certain rights of the Crown in former times, 229–231——Commutation about the end of the last century of the rights of the Earl of Ormonde in respect of Prisage and Butlerage in Ireland; Act of Parliament in this case, under which a sum of money, or a sum in consols, was granted to Lord Ormonde in lieu of these rights, 233–235.

Statement as to witness having omitted from the Returns all permanent payments which are classed as salaries, though some of these are hereditary; further Return to be submitted, including all hereditary payments, 236–243——Instances of hereditary payments in Scotland which have been classed as salaries, 236. 239, 240——Reference to the payment to the Master of the Hawks as having been treated as an allowance, no service being rendered in return for such payment, 237.

Concurrence generally in a statement that the origin of the grant of a pension of 3,000 *l.* to Lord Amhurst and his successors was that George the Third had previously proposed a grant of certain land in Canada, this proposal not having been carried out, 244–247. 250, 251——Doubt whether at the time of the foregoing proposal the power of alienation by the Crown was limited as regards Canada by the Statute, 1 Anne, s. 1; 248, 249——Function of the Treasury merely to carry out the provisions of the Act nnder which the pension was granted to Lord Amhurst, 251.

Special authority given by Parliament to the Treasury as regards commutation of pensions since the date of the Committee on Public Moneys when Lord Monteagle submitted that the terms should first be approved by Parliament, 252–254.

Absence of any Treasury Minute with reference to a letter from Thomas Abbot (on the part of the Duchy), dated 8th July 1841, as regards the payment of 630 *l.* 14 *s.* 2 *d.* to the Duchy of Cornwall in respect of post groats; the last Minute was on 7th June 1841, directing payment for six months, 255–258.

Inability of witness to find any record of negociations with the Duke of Marlborough respecting the commutation of the perpetual pension of 5,000 *l.* gross, 259——Explanation that the Act relating to the Honour and Manor of Woodstock, and the Crown rights in respect thereof, are not in any way affected by commutation, 260, 261.

Transfer of 500 acres of land, with Wakefield Lodge, to the Duke of Grafton in commutation of his rights and privileges as Perpetual Ranger of Whittlewood Forest; that is, when the disafforestation took place some thirty years ago, 262–266. 269, 270——Doubt as to the circumstances under which between 200 and 300 acres in Salcey Forest, together with Salcey Lodge, were transferred to the Duke of Grafton, 267, 268.

Recent communication of witness, at the instance of the First Lord of the Treasury, with the representatives of the Duke of Grafton and the Duke of Richmond, upon the subject of their supplying particulars of purchases of lands out of moneys invested for pensions, 271, 272——Undertaking given by the representatives of the Duke of Grafton to furnish certain particulars, if so requested by the Committee (resolution to this effect adopted

Report, 1887—*continued.*

Welby, Sir Reginald Earle, K.C.B. (Analysis of his Evidence)—*continued.*

adopted by the Committee, both as regards the Duke of Grafton and the Duke of Richmond), 272. 282. 289–292.

Direction under the Duke of Grafton Act of 1815 (55 Geo. III. c. 56) that copies of all deeds relating to purchases of land should be deposited in the Land Revenue Office; imperfect compliance with this requisition, there being several missing copies, 272-282 ——Statement to the effect that the duty was not thrown upon the Land Revenue Office to see that all the transactions were recorded in the office, but only to receive the deeds or copies that were sent; question hereon whether the First Lord of the Treasury might not, as trustee, have taken steps for ensuring the deposit of copies of all the transactions, 283-288.

[Third Examination.]—Paper handed in to the Committee, as recently supplied to witness by the representatives of the Duke of Richmond, containing information respecting the lands purchased out of the sum invested for securing the annuity of 1,000 *l.*; 294 ——Legal question raised upon the foregoing Paper, and upon certain deeds, in 1861, whether the Parliamentary reversion was not affected by the latter, 294. 314-320——Much less full information in this Paper than in that supplied by the Duke of Grafton's representatives; absence of any obligation upon the Duke of Richmond to register the deeds at the Land Record Office, 295. 301. 306.

Considerable expense necessary (as witness has been informed) if the Duke of Richmond were required to search through all his deeds in order to supply full particulars respecting the lands and purchases in question; entire readiness of the Duke to furnish full and adequate information, 295-303——Statement on the subject of the First Lord of the Treasury, as one of the trustees in the case of the Duke of Richmond, not having furnished the Treasury with copies of any deeds, there being no record of any declaration of trust which has ever been executed; explanation hereon as to the draft trust deed having been limited to the Scotch estates, 304–309. 312–320.

Full information procured by witness, since his former examination, respecting Prisage and Butlerage on wines, with special reference to Ireland and the grant to the Duke of Ormonde; sundry details hereon, 310, 311.

Belief that the Papers handed in by witness include every pension or payment under the terms of the reference to the Committee; every effort has been made at the Treasury to make the list as complete as possible, 321, 322. 326——Instances of a few small perpetual payments or grants which have not been paid for a great number of years, and are considered to have lapsed, 322.

Explanation that the original grant in the case of the Duke of Richmond was to the heirs and not to the "heirs male," as inaccurately stated in one of the Papers from the Treasury, 322–324——Reference to the Act 39 & 40 Geo. 3, as showing that the grant was to the "heirs" of the Duke, 324, 325.

Impression that a pension of 625 *l.* a year to Mrs. Sarah Hamilton and her children was not perpetual and has expired in the ordinary course, 327-331.

Salary of 588 *l.* 6 *s.* 9 *d.* formerly paid to Mr. G. H. W. Heneage as Hereditary Chief Proclamator and Usher; belief that this office, which was held in perpetuity, was a sinecure, 332–348——Commutation in 1886 of the pension to Mr. Heneage for the sum of 15,852 *l.* 15 *s.*, the pension having been fixed on the abolition of the office by the Act 15 & 16 Vict. c. 73, since which period no services have been rendered, 335–348.

Opinion of the law officers of the Treasury in 1831 to the effect that it was imperative upon the Treasury to continue the annual payment of 965 *l.* to the Duke of St. Albans as Master of the Hawks, 349-353. 355——Belief that hawks are not kept by the Duke of St. Albans, and that no duties are imposed upon him in connection with the office in question, 354-356.

Doubt as to the services for which the Dauverquerque pension of 2,000 *l.* a year was granted by the King to Lord Grantham in 1694; 357-359——Conclusion that Lord Cowper, who received 40,000 *l.* in commutation of four-fifths of the Dauverquerque pension, was a lineal descendant of the original grantee, 360–362. 365——Information to be obtained by witness respecting a payment of 375 *l.* 16 *s.* a year still being made to Mr. L. L. Cohen as part of the foregoing pension, 363–365.

Commutation in 1883 of some of the payments comprised in the Schomberg pension of 984 *l.* a year, 366——Payments to the amount of 720 *l.* a year still being made in respect of the foregoing pension, the recipients being Mr. Powis and Mr. Gosling; information to be supplied as to whether these are descendants of the Schomberg family, 366–370.

Commutation in 1884 of the whole of the Penn pension of 4,000 *l.* a year (paid since 1790) for the sum of 107,780 *l.*; 371-373——Doubt whether the persons to whom the

pension

Welby, Sir Reginald Earle, K.C.B. (Analysis of his Evidence)—*continued.*

pension was paid were the heirs or descendants of William Penn; reference to the Act of Parliament as the authority upon which the payments were made by the Treasury, 374-380.

Payment of the Nelson pension of 5,000*l.* a year since the Act 46 George III., in 1806, the present Lord Nelson being the great-nephew of the first Lord Nelson; direct authority in the Act for this payment as continued, 381-387. 395-399.

Belief that the Grafton pension has now entirely ceased, having been all commuted, 388——Large aggregate amount paid to the Grafton family before the final commutation, 389-392.

Entire commutation of the pension to Sir Thomas Clarges and his heirs, 393, 394——Legal advice taken by the Treasury before commuting the Penn pension in favour of Colonel Stewart as the rightful claimant, 400-402.

Further statement as to the grounds upon which, prior to the Act of 1873, the Treasury exercised the power of commutation of pensions without previous application to Parliament; probability that the opinion of the law officers was taken, 403-406. 430-432——Explanation of the practice of the Treasury in 1841 and at the present time in regard to the recording and signing of Minutes; statement hereon as to there being no record of any Minute or any decision of the Treasury authorising the continued payment to the Duchy of Cornwall in respect of post groat duty subsequently to 1841; 407-429. 470-475——Probability that some verbal instruction was given, which was not recorded, as to the continuance of the payment, 420-423.

Examination in detail with further reference to the action of the Treasury in continuing the payment for post groats after their abolition in 1838 by Act of Parliament; grounds upon which the Treasury probably concurred in the remonstrance of the Duchy against the discontinuance of the payment, 430-476——Effect of the birth of the Prince of Wales in 1841, in reviving the claim to the continuance of the payment; that is, in his capacity as Duke of Cornwall, 434. 447-453.

Explanation of the practice at the Treasury in connection with warrants for payment of pensions out of the Consolidated Fund; duty of the officer who prepares the warrant to see that there is authority for the charge, 461-476——Check in 1841 and subsequent years through the Comptroller of the Exchequer in the matter of the annual charge on the Consolidated Fund in respect of the continued payment to the Duchy of Cornwall in lieu of post groats, 467. 476.

[Fourth Examination.]—Inclusion of all perpetual payments as well as hereditary payments in the Papers furnished to the Committee; non-distinction between the two in the Treasury books, 479-481——Discretion left to the Treasury under the Commutation Act as to making the best bargain in commuting any perpetual payment or pension, due regard being had to the equity of each case, 482-492.

Further statement as to thirty years' purchase having been given in some cases of charitable and ecclesiastical payments of a perpetual character, 485, 486——Belief that the rule has been to offer twenty-seven years' purchase where perpetual payments or pensions have been granted to individuals, 485. 487 — Full consideration given to the contingency (if any) of the determination of the annuity; report in each case by the Treasury solicitor as to the probability of the permanence of the pension, 490-501. 504.

View of the Treasury that a perpetual payment charged upon the Consolidated Fund was roughly equivalent to consol value; interpretation of the Act of 1873 as limiting the purchase-money to consol value as the maximum, 492, 493——Different terms of the original grants in certain cases, whilst in all of them the terms of redemption were the same (nearly twenty-seven years' purchase), 494-501——Doubt whether in any case of commutation the terms have been affected by the fact that no service was being rendered in return for the pension, 502-506. 529.

Considerable trouble given at the Treasury by the numerous small payments for ecclesiastical and charitable purposes, so that it was deemed expedient to get rid of them by commutation at a higher rate than was given to individual pensioners, 507-509——Non-reduction in the annual charge in cases where thirty-three years' purchase has been given; advantage in the saving of trouble, 510, 511.

Statement to the effect that there is no account or record at the Treasury respecting the capital fund invested in consols in the case of the Grafton annuity or the purchases of land made out of such fund, 512-517——Belief that the land in question was purchased partly with the private money of the Duke of Grafton, and partly with the proceeds of the consols, 518-520.

Circumstance of negotiations having commenced, before the motion in the House for the appointment of the present Committee, for commutation of the payment to the Duke of St. Albans; witness does not feel at liberty to state the terms offered by

Report, 1887—*continued.*

Welby, Sir Reginald Earle, K.C.B. (Analysis of his Evidence)—*continued.*

by the Treasury, 521–565——Further statement that it is improbable that any services are rendered, or expenses incurred in respect of the office of hereditary Grand Falconer or Master of the Hawks; belief, however, that the Treasury have been legally advised that the Duke of St. Albans is entitled to the total payment of 965 *l.* a year, 527–532.

Impression that some expenses are incurred in return for the pension paid to the Constable of Hillsborough Fort, 533——Explanations respecting certain fees, or "customary deductions," in former years from the pensions when issued from the Exchequer; subsequent reduction of the gross payments by the amount represented by these fees, which were swept away, 534, 535.

Further examination in detail respecting the claim of the Duchy of Cornwall to the continued payment since 1841 of post groats or tin coinage duties, and the grounds upon which the Treasury concluded it was not in their power to alienate the sum in question from the Duchy, 536–584——Statement on the subject of the income of the Prince of Wales on his marriage in right of the Duchy having been made up to 100,000 *l.*, 585–590.

Commutation of numerous pensions when Mr. Courtney was at the Treasury, a few having been commuted when Lord Frederick Cavendish was Secretary, 591–593——Strong opinion of witness in favour of commutation provided the Treasury can be satisfied that the annual payment is permanent, 594–596. 599–601——Conclusion that a payment without intermission from the time of Charles II. must be considered permanent, 595.

Approval of commutation of certain payments for the Scotch Universities and for grammar schools, &c.; expediency of check by the Treasury where a distinct service is attached to any such payments, 596–598——Statement showing that the commutation of Lord Melbourne's pension in 1826, for 30,000 *l.*, was a good financial operation for the Treasury in view of the price of consols at the time, 600–602.

Whittleworth Forest, Ranger of. See *Grafton, Duke of.*

Woods and Forests. Statutory power under which the Commissioners of Woods and Forests have commuted sundry small pensions or permanent payments not exceeding 10 *l.*, which were charged upon the Land Revenues of the Crown, *Sir R. E. Welby* 23, 24——Explanation respecting the transfer to the Consolidated Fund in 1866 of numerous small permanent payments hitherto charged upon the revenues of the Woods and Forests, *ib.* 23.

Return containing particulars respecting the payments transferred from the Land Revenues, *App.* 59–68.

INDEX

TO THE

REPORT

FROM THE

SELECT COMMITTEE

ON

PERPETUAL PENSIONS.

Ordered, by The House of Commons, *to be Printed,*
29 *July* 1887.

[*Price* 3 *d.*]

248. *Under* 4 *oz.*

H.—11. 11. 87.

146

PERPETUAL PENSIONS.

RETURN to an Order of the Honourable The House of Commons, dated 20 July 1888;—*for*,

COPY "of TREASURY MINUTE, dated the 19th day of July 1888, upon the REPORT of the COMMITTEE of the HOUSE OF COMMONS, appointed in 1887, to consider the Question of PERPETUAL PENSIONS."

Treasury, 20 July 1888.

W. L. JACKSON.

MINUTE on PERPETUAL PENSIONS, dated 19th July 1888.

THE First Lord and the Chancellor of the Exchequer call the attention of the Board to the Report presented in 1887 by the Committee of the House of Commons on Perpetual Pensions.

The Committee recommend—

1. That pensions, allowances, and payments ought not in future to be granted in perpetuity.

2. That offices with salaries and without duties, or with merely nominal duties, ought to be abolished.

3. That all existing perpetual pensions, allowances, and payments, and all hereditary offices, should be determined and abolished.

4. That in all such commutations, the Lords of the Treasury should take into consideration the circumstances of such pension, allowance, or payment, and whether or not any real service had been rendered by the original grantee, or was now performed by the actual holder of the office.

5. That where no service or merely nominal service is rendered by the holder of an hereditary office, and where no service or merely nominal service was rendered by the original grantee of the pension, allowance, or payment attached to such office, the pension, allowance, or payment shall in no case continue beyond the life of the present holder or recipient.

6. That in all cases the method of commutation ought to involve and insure a real and substantial saving to the nation.

7. That the rate of commutation usually adopted of about twenty-seven years' purchase is too high.

The Committee observe, in conclusion, that in recent years some pensions appear to have been commuted, notwithstanding formal objections in writing lodged with the Treasury, and without sufficient inquiry into the matters stated in such objections.

The First Lord and the Chancellor of the Exchequer state to the Board that Her Majesty's Government concur with the Committee in thinking—

1. That pensions, allowances, and payments ought not in future to be granted in perpetuity. Recommendation 1.

2. That offices with salaries and without duties, or with merely nominal duties, ought to be abolished. Recommendation 2.

3. That all existing perpetual pensions, allowances, and payments should be determined and abolished. Recommendation 3.

Her

Her Majesty's Government of course can only speak for themselves. It is not in their power to bind their successors or Parliament, but the First Lord and the Chancellor of the Exchequer point out that the policy recommended by the Committee has practically been adopted both by previous Governments and by the House of Commons.

In 1883 the Government asked the House of Commons to grant, in accordance with precedent, life annuities to Lord Wolseley and Lord Alcester in recognition of their military services in Egypt. There was, however, such an expression of dissent in the House of Commons from a grant in that form, that the Government withdrew their proposal, and asked instead the grant of a capital sum. Parliament approved this manner of recognition. There can be little doubt that the precedent thus laid down will be followed by future Governments, and will find favour with Parliament.

Further, at the instance of the Government, Parliament in 1873, and again in 1883, passed Acts acknowledging the expediency of redeeming pensions, annuities, and annual payments payable out of the Consolidated Fund or moneys provided by Parliament, and not determining with the life of the individuals to whom they are for the time being payable; and under the special powers conferred by those Acts upon the Treasury, 330 pensions, amounting in all to 18,957 *l.* a-year, have been commuted between the years 1881 and 1887. It may, therefore, be safely asserted that the recommendation of the Committee indorses and supports the policy already adopted by Parliament and the action of the Treasury.

The First Lord and the Chancellor of the Exchequer advise the Board to continue a course of action which has thus far commanded general approval. The remaining pensions and payments due to individuals are sixteen in number, involving a yearly cost of nearly 12,000 *l.*, while further annuities, amounting to between 23,000 *l.* and 24,000 *l.* a-year, are mainly payable to bodies or corporations. The First Lord and the Chancellor of the Exchequer considered that the circumstances of each of these annuities should be considered, and an offer of redemption made. In the event of refusal, Parliament should be informed.

The First Lord and the Chancellor of the Exchequer note that the paragraph of the Committee's Report now under consideration contains a recommendation that all hereditary offices should be determined and abolished, and they state that Her Majesty's Government would not be able to accept that recommendation without qualification. An hereditary office must, in most cases, be abolished by Act of Parliament, and if an hereditary office, purely honorary in its nature, causes no expense to the State, and no inconvenience to administration, its abolition could be directed to no useful end, and would reflect somewhat ungraciously both upon the Crown and upon Parliament.

Recommendations 4 and 5.

4 and 5. The Committee recommend that in all commutations of existing pensions, allowances, and payments, the Lords of the Treasury should take into consideration the circumstances of such pensions, whether or not any real service had been rendered by the original grantee, or is now performed by the actual holder of the office, and that where no service or merely nominal service is rendered by the holder of an hereditary office, and where no service or merely nominal service was rendered by the original grantee of the pension, allowance, or payment attached to such office, the pension, allowance, or payment shall in no case continue beyond the life of the present holder or recipient.

The First Lord and the Chancellor of the Exchequer state that Her Majesty's Government are not prepared to commit themselves to a pledge which might bring the public faith into question.

A Committee of the House of Commons, which inquired, in 1838, into the subject of pensions reported that—

> Before the reign of Anne, the Sovereigns of England appear to have exercised a right to alienate or incumber the various branches of their hereditary

hereditary possessions, and they quoted judicial opinions to that effect. The Act 1 Anne, cap. 7, sec. 5, restrained the power of the Crown to alienate the revenue.

This Committee further stated that, with respect to certain life pensions, they had before them the opinions of the English and Irish Law Officers, affirming that the grants in these cases were legal and binding, and ought not therefore to be disturbed. They proceeded: "When grants of this description have been legally made and are legally operative, your Committee consider that the economical benefit to be derived from the reduction of a few questionable pensions, could be but an imperfect compensation for the evil effects of disturbing these important principles, upon which are founded the permanence and security of all property."

The Committee recommended, it is true, that a few pensions should lapse or be modified. These, however, were not perpetual pensions, but pensions granted by the Sovereign, and therefore requiring a re-grant on the accession of a new Sovereign.

Her Majesty's Government concur in this conclusion of a strong Committee of a House of Commons which, in economical tendencies, has certainly not been surpassed by its successors. They do not propose to discontinue a grant which they are assured is legally and permanently binding, but they consider that the Treasury should not commute a pension until it has been assured by the highest authority that the payment of such pension is legally and permanently binding. Hitherto, the opinion of the Solicitor of the Treasury has been obtained upon each case proposed for commutation. Her Majesty's Government propose that the Treasury, in presence of the recommendation of the Committee of 1887, shall take the opinion of the Law Officers upon each such case, and shall be advised (1) whether the grant is legally binding, and (2) whether it is permanently, or likely to be permanently, so binding; the latter question being addressed to the possible contingency of reversion from failure of heirs.

Her Majesty's Government do not consider that they would be justified in asking Parliament to deprive an individual of a grant to which he is legally entitled, on the grounds of the imperfect service upon which the grant was founded. They are of opinion that the Treasury, on being satisfied that a pension or similar payment is legally binding, and is likely to be for practical purposes permanent, should propose to the holder reasonable terms of commutation, and that it should be the duty of the Treasury to report the facts to Parliament if those terms should be refused.

Recommendations 6 and 7.

6 and 7. The Committee of 1887 consider that in all cases the method of commutation ought to involve and insure a real and substantial saving to the nation, but that the rate of commutation usually adopted of about twenty-seven years is too high.

The First Lord and the Chancellor of the Exchequer believe that the Treasury has always endeavoured to commute these perpetual payments upon terms favourable to the State, and they are satisfied also that the terms hitherto concluded with the persons entitled to those payments have been favourable to the public.

The perpetual pensions payable to individuals have, of late years, been commuted in round figures at twenty-seven years' purchase. That is to say, the Treasury buys for 2,700 *l.* a perpetual charge on the Consolidated Fund of 100 *l.* a-year. As the Treasury has for some years past been able to borrow at 3 per cent., it follows that in buying up such a charge at twenty-seven years' purchase the Treasury substitutes a perpetual annuity of 81 *l.* for a perpetual annuity of 100 *l.*, and makes thereby a saving for the nation of about 19 per cent. That saving would be increased if the Treasury, as seems probable, should be able to borrow at $2\frac{3}{4}$ per cent. Therefore the terms of commutation which have been concluded show, in the words of the Committee, a real

and substantial saving to the nation. Moreover, the terms hitherto offered by the Treasury have been voluntarily accepted by the payees, and thus, while public faith has been scrupulously maintained, the State itself has obtained material benefit. In such circumstances, my Lords cannot agree that the terms hitherto given to individuals have been too high.

The First Lord and the Chancellor of the Exchequer propose therefore (1) that holders of pensions, allowances, or payments which the Law Officers of the Crown consider to be permanent in character, but to which no obligation of an onerous kind attaches, should be invited to commute such pensions, allowances, or payments on the same terms as have been accepted in the numerous cases already commuted, and that the case should be reported to the House of Commons if those terms are refused; (2) that holders of pensions, allowances, or payments held in like manner to be of permanent character, but to which an onerous obligation not performed or imperfectly performed attaches, should be offered in like manner such terms as their Lordships on full consideration think just, subject in case of refusal to like report to the House of Commons; (3) that holders of perpetual allowances granted in respect of offices requiring discharge of useful service punctually performed should be offered, upon proper conditions, reasonable terms of commutation according to the circumstances, the circumstances in case of refusal being reported to the House of Commons; and (4) that special cases not falling fairly within the foregoing classification should be subjected to special consideration.

The First Lord and the Chancellor of the Exchequer regret that the Committee should have arrived at the conclusion that some pensions have been commuted, notwithstanding formal objections in writing lodged at the Treasury, and without sufficient inquiry into the matters stated in such objections.

The inquiries which the First Lord and the Chancellor of the Exchequer have made lead them to the belief that care was taken in each case to investigate the circumstances of the grant, and any objection which may have been lodged against it.

They may, perhaps, notice two of the objections taken to pensions which were at the time in course of commutation, viz., that of the Duke of Marlborough, and that of the heirs of W. Penn. The objection made against the former of these pensions contains charges against the first Duke of Marlborough, founded upon his own letters, memoranda of James II., and the Journals of the House of Commons. The Lords of the Treasury could only reply to such an objection that the Act of Parliament under which they commute pensions did not constitute them a Court of Appeal upon disputed issues of history, or empower them to set aside an Act of Parliament. They were advised that the Duke's pension was legally payable under authority of an Act of Parliament, and they obeyed the Act of Parliament.

The objection in the case of the heirs of W. Penn assumed that the proprietary right of the Penn family had been already satisfied, and asserted on the faith of State Records in Pennsylvania and the genealogy of the Penn family, that there were nearer heirs to Penn living than those to whom the pension was paid. In this case the Treasury could only state that an Act of Parliament imposed upon them the duty of paying the pension to certain persons, viz., the legal holders of the pension at the time of commutation. The Act did not empower the Treasury to set aside its directions in order to ascertain whether there were nearer heirs in existence.

These objections need only be stated in order to show the danger of their nature. They assume that the Treasury has the power of setting aside the directions of an Act of Parliament. The First Lord and the Chancellor of the Exchequer cannot accept it as a legitimate charge against the Treasury, that it paid and commuted pensions in accordance with the authority of Parliament.

My Lords agree with the First Lord and the Chancellor of the Exchequer. Let a copy of this Minute be laid before the House of Commons, and let the recommendations of the First Lord and of the Chancellor of the Exchequer be acted upon, when the Minute has lain for one month upon the Table, during the sitting of the House.

Treasury,
July 1888.

PERPETUAL PENSIONS.

COPY of TREASURY MINUTE, dated 19th July 1888, upon the REPORT of the COMMITTEE of the HOUSE OF COMMONS, appointed in 1887, to consider the Question of PERPETUAL PENSIONS.

(*Mr. Jackson.*)

Ordered, by The House of Commons, *to be Printed,*
20 *July* 1888.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

[*Price* 1 *d.*]

292. *Under* 1 *oz.*

H.—11. 8. 88

152

REPORTS

FROM

COMMISSIONERS, INSPECTORS,

AND OTHERS:

THIRTY VOLUMES.

—*(5.)*—

CIVIL ESTABLISHMENTS.

Session

21 *February* 1889 —— 30 *August* 1889.

VOL. XXI.

1889.

REPORTS

FROM

COMMISSIONERS, INSPECTORS,

AND OTHERS:

1889.

THIRTY VOLUMES:—CONTENTS OF THE

FIFTH VOLUME.

N.B.—*THE* Figures *at the* beginning of the line, *correspond with the* N° *at the foot of each* Report; *and the* Figures *at the* end of the line, *refer to the* MS. Paging *of the Volumes arranged for The House of Commons.*

CIVIL ESTABLISHMENTS (ROYAL COMMISSION):

[c. 5748.] Third Report of the Royal Commission appointed to inquire into the Civil Establishments of the different Offices of State at Home and Abroad. p. 1

[c. 5748-I.] Minutes of Evidence, with Summary. 17

THIRD REPORT

OF THE

ROYAL COMMISSION

APPOINTED TO INQUIRE INTO THE

CIVIL ESTABLISHMENTS

OF THE DIFFERENT

OFFICES OF STATE AT HOME AND ABROAD.

Presented to both Houses of Parliament by Command of Her Majesty.
1889.

LONDON:
PRINTED FOR HER MAJESTY'S STATIONERY OFFICE,
BY EYRE AND SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.

And to be purchased, either directly or through any Bookseller, from
EYRE AND SPOTTISWOODE, East Harding Street, Fleet Street, E.C., and
32, Abingdon Street, Westminster, S.W.; or
ADAM AND CHARLES BLACK, 6, North Bridge, Edinburgh; or
HODGES, FIGGIS, & Co., 104, Grafton Street, Dublin.

1889.

[C.—5748.] *Price* 2*d*.

COMMISSIONS.

VICTORIA, R.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith :

To our trusty and well-beloved Sir Matthew White Ridley, Baronet; Our right trusty and right well-beloved cousin Adelbert Wellington Brownlow, Earl Brownlow; Our right trusty and well-beloved Nathaniel Mayer, Baron Rothschild; Our right trusty and well-beloved Ralph Robert Wheeler, Baron Lingen, Knight Commander of Our Most Honourable Order of the Bath; Our right trusty and well-beloved Councillor George Sclater-Booth; Our right trusty and well-beloved Councillor, Henry Hartley Fowler; Our trusty and well-beloved Sir Edward Cecil Guinness, Baronet; Our trusty and well-beloved Algernon Bertram Freeman-Mitford, Esquire, Companion of Our Most Honourable Order of the Bath; Our trusty and well-beloved John Cleghorn, Esquire; Our trusty and well-beloved Alfred Spalding Harvey, Esquire; Our trusty and well-beloved Charles Edward Lewis, Esquire; Our trusty and well-beloved Arthur O'Connor, Esquire; and Our trusty and well-beloved Peter Rylands, Esquire; Greeting!

Whereas We have deemed it expedient that a Commission should forthwith issue to inquire into the Establishments of the different Offices of State at Home and Abroad :

Now know ye, that We, reposing great trust and confidence in your knowledge and ability, have authorised and appointed, and do by these presents authorise and appoint you, the said Sir Matthew White Ridley, Adelbert Wellington Brownlow, Earl Brownlow, Nathaniel Mayer, Baron Rothschild, Ralph Robert Wheeler, Baron Lingen, George Sclater-Booth, Henry Hartley Fowler, Sir Edward Cecil Guinness, Algernon Bertram Freeman-Mitford, John Cleghorn, Alfred Spalding Harvey, Charles Edward Lewis, Arthur O'Connor, and Peter Rylands to be our Commissioners for the purposes of the said inquiry.

And We do hereby authorise and empower you, or any five or more of you, to inquire into the numbers, salaries, hours of labour, superannuation, cost of the staff, and the administration, regulation, and organisation of the said offices.

You will state whether, in your opinion, the work of the different offices is efficiently and economically performed; whether it can be simplified; whether the method of procedure can be improved; and whether the system of control is deficient or unnecessarily elaborate.

As ten years have now elapsed since the adoption of the scheme of organisation recommended by the Playfair Commission, the time has come when the working of the scheme may, with advantage, be reviewed. You will, therefore, report whether the scheme has been fairly tried; whether its provisions have met the requirements of the Service, and deserve confirmation, and whether any modifications are needed to give it complete development.

Lastly, you will examine the non-effective charge of the Civil Service, and advise whether the present Pension Scales and Regulations are equitable alike to the State and to its servants.

And for the better effecting the purposes of this Our Commission We do by these presents give and grant unto you, or any five or more of you, full power to call before you such persons as you shall judge likely to afford you any information upon the subject of this Our Commission; and also to call for, have access to, and examine all

such books, documents, registers, and records as may afford you the fullest information on the subject; and to inquire of and concerning the premises by all other lawful ways and means whatsoever.

And We do further by these presents authorise and empower you, or any five or more of you, to visit and personally inspect such places in our United Kingdom and abroad as you may deem expedient for the more effectual carrying out of the purposes aforesaid.

And We do by these presents will and ordain that this Our Commission shall continue in full force and virtue, and that you, Our said Commissioners, or any five or more of you, may, from time to time, proceed in the execution thereof, and of every matter and thing therein contained, although the same be not continued from time to time by adjournment.

And We do further ordain that you, or any five or more of you, have liberty to report your proceedings under this Our Commission from time to time, if you shall judge it expedient so to do.

And Our further will and pleasure is that you do, with as little delay as possible, report to Us, under your hands and seals, or under the hands and seals of any five or more of you, your opinion upon the several matters herein submitted for your consideration.

And for the purpose of aiding you in such matters, We hereby appoint Our trusty and well-beloved Horace George Walpole, Esquire, Companion of Our most Honourable Order of the Bath, Assistant Under Secretary of State to Our Principal Secretary of State for India, to be Secretary to this Our Commission.

Given at Our Court at Saint James's the twentieth day of September, one thousand eight hundred and eighty-six, in the fiftieth year of Our reign.

By Her Majesty's command,

HENRY MATTHEWS.

VICTORIA, R.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith:

To Our trusty and well-beloved Robert William Hanbury, Esquire; Our trusty and well-beloved Harry Lawson Webster Lawson, Esquire; and Our trusty and well-beloved John William Maclure, Esquire; Greeting!

Whereas We did, by Warrant under Our Royal Sign Manual, bearing date the twentieth day of September, one thousand eight hundred and eighty-six, appoint Our trusty and well-beloved Sir Matthew White Ridley, Baronet, together with the several Gentlemen therein mentioned, or any five or more of them, to be Our Commissioners to inquire into the Establishments of the different Offices of State at Home and Abroad:

And whereas one of Our Commissioners so appointed, namely, Peter Rylands, Esquire, has since deceased, and two other of Our said Commissioners, namely, Sir Edward Cecil Guinness, Baronet, and Arthur O'Connor, Esquire, have humbly tendered unto Us resignations of their appointments as two of Our said Commissioners:

Now know ye, that We, reposing great confidence in you, do by these presents appoint you, the said Robert William Hanbury, Harry Lawson Webster Lawson, and John William Maclure, to be three of Our Commissioners for the purpose aforesaid in the room of the said Peter Rylands, Sir Edward Cecil Guinness, and Arthur O'Connor, in addition to and together with the other Commissioners whom We have already appointed.

Given at Our Court at Saint James's the thirtieth day of November, one thousand eight hundred and eighty-seven, in the fifty-first year of Our reign.

By Her Majesty's commands,

HENRY MATTHEWS.

REPORT.

MAY IT PLEASE YOUR MAJESTY:

1. Before stating the conclusions at which we have arrived upon the question whether it is, or is not, desirable to amalgamate the Customs and Inland Revenue Departments, it would appear desirable to state how the management of the two Departments is at present constituted, and to refer to the principal changes that have taken place therein during the last 50 years.

2. Previously to the year 1833 the national revenue was collected by four Boards, viz., the Boards of Customs, of Excise, of Taxes, and of Stamps.

3. In 1833 the two last-mentioned Boards were united into one, and in 1848 the Board of Stamps and Taxes was united with the Board of Excise, under the more general designation of the Board of Inland Revenue.

4. Previously to 1846 there were nine Commissioners for the Board of Customs; at the present time the Board consists of a Chairman, a Deputy Chairman, and one Commissioner.

5. In 1833 the number of Commissioners for the three Boards of Excise, Stamps, and Taxes was, upon the amalgamation of the two latter, reduced from 16 to 13, and on the consolidation with the Excise in 1848 the number was further reduced to six. At the present time, the Board of Inland Revenue, which controls Stamps, Taxes, and Excise, consists of a Chairman, a Deputy Chairman, and three Commissioners.

6. In 1862 a Select Committee of the House of Commons was appointed to "inquire "whether it would be practicable and advantageous to consolidate any of the establish- "ments now governed by the Boards of Inland Revenue and Customs respectively; "or to unite any portion of the duties performed by their officers, with a view to "economy in the collection of the public revenue, and to simplicity of arrangement.

7. This Committee took evidence during the sessions of 1862 and 1863, and, in July of the latter year, reported the evidence so taken to the House, having failed to agree upon a report.

8. Together with the minutes of evidence they presented two draft reports, the general character of which can be sufficiently understood by a perusal of the following short extracts from each.

Paragraph 66 of the draft report prepared by the Chairman, the late Mr. Horsfall, was as follows:—

"In reviewing the evidence, your Committee believe the proposed consolidation "practicable, and that it would tend to great economy in the cost of collection, "efficiency in the service, and simplicity of arrangement in transacting business "with the public. Already several beneficial results have attended the labours of "your Committee; the forms of documents in the Customs have been much reduced "and simplified; steps are being taken to remedy the grievances complained of with "regard to British spirits, and the export of beer; and arrangements are under "consideration for a more economical sale of stamps, either by the postmasters, or by "the collectors of revenue. Every fresh simplification, however, is but another step "towards consolidation."

9. Paragraphs 46 and 59 of the other draft report prepared by the late Lord Cardwell run as follows:—

"46. Your Committee cannot, therefore, report to the House that the balance of "evidence, as regards the number and weight of the witnesses whose opinions have "been given before them, is in favour of the extensive change proposed; while the "facts to which your Committee have referred show conclusively that the desire of "effecting retrenchments, as changes in the law, and consequently in the practice of "both Departments, have rendered such retrenchments possible, has been steadily "kept in view by successive Governments from 1833 down to the present time.

* * * * * * *

"59. Your Committee, therefore, abstain from recommending the proposed con- "solidation of the two departments, and conclude their Report by recommending:—

"1st. That the inconvenience complained of by the dealers in British spirits should "be considered with a view to its removal by Parliament."

"2nd. That the favourable consideration of the Treasury should be given to changes " like those suggested bythe Board of Inland Revenue and the Post Office respectively, " for the union of branches of the service now distinct."

"3rd. That the respective Boards should be directed to continue the system of con- " solidation and retrenchment by which, in past years, so many separate departments " have been united, with a view to such further consolidation and retrenchments as it " may from time to time be found possible to effect, with a due regard to the efficiency " of the service, the convenience of the trading community, and the security of the " public revenue."

10. In 1880, a Departmental Committee, presided over by Mr. Holms, M.P., one of the Lords of the Treasury, was appointed by that Board "to inquire into the bonding " systems of the Customs and Inland Revenue Departments, and also as to the reduc- " tion of Customs establishments at minor ports."

This Committee laid down :—

I. That the regulations for bonding goods in the warehouses of the Customs and Inland Revenue should be absolutely assimilated.
II. That in districts where there are duplicate establishments, all of them should, as far as practicable, be transferred to one Revenue Board.
III. That in each town, or port, the number of bonded warehouses should, as far as possible, be reduced to the actual requirements of the trade.
IV. That Customs Establishments at minor ports should, as far as practicable, be abolished, or reduced to a lower class (*i.e.*, to the class of creeks or parts of larger ports).

Sub-Committees, consisting of members of the two departments, were subsequently appointed to carry out these recommendations, with the result—

I. That an unified code of warehousing regulations for the two departments was issued in 1885.
II. That the system of warehousing accounts was practically assimilated.
III. That the number of duplicate warehousing establishments, *i.e.*, of the two Boards in the same place, was reduced from 35 to 7 (exclusive of a few warehouses occupied by distillers), and the bonded warehouses at 41 minor ports were transferred from the Customs to the Inland Revenue Board.

App. pp. 221, 222. 11. The principal arguments for and against amalgamation will be found stated in the Memoranda submitted to us by the Inland Revenue and Customs Departments respectively.

12. Briefly they may be recapitulated as follows. For amalgamation :—

That the unified code of warehouse regulations has now been in use in the two departments since 1885, but that it is inevitable that where the instructions have to be interpreted by the local officers of two separate departments, some diversities of practice will arise.

That 97 per cent. of the Customs Revenue is collected through their warehouses, and that the warehouses of the two departments could economically and without difficulty be transferred to the management of one Board.

That each successive previous amalgamation has resulted in great economy to the State.

That a concentration of the work of the two departments would lead to great economies, not alone in the more highly paid classes of officers engaged in the supervision of the outdoor officers, but also in the indoor staff of the respective departments, and that it may fairly be assumed that the whole Revenue business might be managed by one Board : one Secretariat : one Legal, one Accounting, and one Receiving Department.

That amalgamation would be departmentally advantageous—

1. By securing absolute uniformity of practice as regards the warehousing code of instructions.
2. By putting an end to the correspondence constantly taking place between the two Boards on warehouse questions ; and
3. By putting an end to the constant questions and comparisons by the officers of the two departments charged with almost, if not quite identical, duties, who are now in receipt of different scales of pay, and have different official prospects.

That public opinion is largely favourable to such a concentration of revenue business, and that there can be little doubt that it would be hailed as a great administrative reform.

13. On the other hand it is urged against amalgamation—

That in consequence of the changes introduced since 1862, no difficulty is now felt by the public in having to deal with two Departments, and that the feeling in favour of amalgamating the services, which at one time prevailed amongst mercantile men, has ceased. App. p. 222.

That if the business now transacted at the Custom House in London was moved to Somerset House, the utmost inconvenience would be caused to merchants, whose offices have in many cases been selected on account of their proximity to the Custom House, and whose personal attendance there, is by law in many instances compulsory.

That it is not believed that any facilities could be obtained by exporters under an amalgamated Board which could not be equally well obtained while the administration of the two departments is separate.

That out of 4,485 established officers in the Customs, only 1,215 are engaged on similar duty in the two departments, and that 1,143 of those 1,215, who are employed on warehouse accounts, would not be affected by amalgamation, as that number does not exceed the requirements of the Customs service, and, if it did, its reduction could be effected independently of any question of amalgamation.

That practically the only reduction in expense which might result from amalgamation would be—

1. In the head-quarters staff.
2. In the collectors at those ports at which at present both departments have collectors.

That the utmost saving to be expected would be, at the head-quarters staff 6,000*l.*, at the ports 5,345*l.*, or a total of 11,345*l.* a year.

That against this possible saving has to be set the fact that the scales of salary in the two departments vary at every point, and that in an amalgamated service these variations could not continue; and that, if salaries are levelled up, any saving effected by amalgamation would be nearly, if not entirely, absorbed, while if salaries are levelled down, such levelling down cannot be accomplished for several years, and, in the meantime, the same duties will be performed by officers in receipt of different scales of pay—a state of affairs difficult to maintain in the face of the organised agitation likely to arise.

That a Chancellor of the Exchequer is in a better position, if he has the advantage of the different views sometimes taken by two separate departments on questions that come before them, than he would be if he had to rely on the judgment of a single administrator, whose knowledge, though extending over a wide area, would probably, for that reason, be not so minute or thorough.

That no *bonâ fide* amalgamation can be accomplished unless the officers in the respective departments are capable of becoming rapidly qualified to undertake all the detail duties in the amalgamated department, and that no such interchange of duties is possible in the Customs and Excise, long special training being necessary in much of the work of each department.

And finally, that an amalgamated department will afford a wider and easier ground for combination and agitation than is the case when the two services are distinct. That even as things now are, of late years, different grades of the services have combined and agitated for increased salaries; public meetings have been held, and pressure has been brought to bear on members of Parliament, both at elections and in the House of Commons; and that if amalgamation is decided upon, the Government must be prepared to deal with an agitation for increased pay organised on an extended basis.

14. In considering the question before us, we have taken evidence from—

The Inland Revenue, pp. 1–22, 67–72, 78–95, 109–115, 120–131, 150–152, 157–162, 173–193.

The Customs, pp. 22–32, 36–60, 95–98, 115–120, 131–136, 152–157, 193–218.

The Secretary to the Treasury, pp. 60–67.

Mr. Gladstone, pp. 32–35.

Mr. Childers, pp. 72–78.

Trade witnesses, pp. 98–108, 136–149, 162–172.

15. Upon the conflicting views that have been put before us, we observe, in the first place, that the question of amalgamation, or consolidation, is not so much one of principle as of degree: and that its desirability or the reverse must be determined by the probability of its resulting in

1. A Substantial Reduction in Expenditure.
2. Increased Efficiency of Administration.
3. Additional Convenience to Traders.

16. Further, the collection of the whole Revenue of the Country (exclusive of the Post Office) is so important a matter that alterations in its management should not be lightly undertaken, and certainly no change should be made unless some strong and positive reason in its favour is shown, and unless it is clearly demonstrated that the proposed change is both safe and prudent.

17. The *onus probandi* thus lying with the advocates of amalgamation, we are of opinion that no case has been made out before us sufficient to justify so important an experiment.

We are not insensible to the weight of general considerations that may be advanced in favour of an united control of services which come into contact at many points; but, setting aside for the present reasons of policy which tend in the opposite direction, we are satisfied that the Customs and Inland Revenue of the country is now, as a whole, collected at a reasonable cost, and in a manner which, taking into consideration all the circumstances of the case, cannot be regarded as inconvenient to the taxpayers.

18. In saying this, we are not expressing an opinion that further changes may not yet be made to facilitate the collection of the revenue, such as have of late years been going on; but we are dealing merely with the question as it might be affected by a consolidation of the Customs and Inland Revenue Boards.

Pp. 98, 105, 136, 142, 162, 168, 169, 251.

19. Having carefully weighed the expressions of opinion which we have received both orally and in writing from traders who are brought into contact with both the departments, we cannot say that any grievances have been proved before us which are the consequences of separate control, or any inconveniences established which cannot apparently be easily remedied by departmental improvements, and by some provision for more united action on the part of the two Boards as to certain portions of their respective functions (such as warehousing), to which we subsequently refer. The indirect consequences of Mr. Horsfall's Committee, and the subsequent action of the Treasury, with that of the two departments concerned, have materially simplified regulations, removed impediments, and facilitated the operations of trade. From the point of view, therefore, of convenience to traders, it appears to us that no case for amalgamation has been substantiated.

20. The principal arguments however in favour of the change are derived from the administrative improvements which it is alleged could be effected in respect both of economy and efficiency.

21. Amalgamation, as generally understood, consists of a fusion of the two Boards, with one Chairman, one Secretariat, one Legal, one Accounting, and one Receiving Department, and it is urged that though a detailed scheme cannot, for obvious reasons, be put forward by either the Inland Revenue or the Customs, yet, that in course of time, a united Board would be able not only to work with a reduced staff of highly paid officers at head-quarters, but also to fuse the lower branches of the service, where work is analogous, to make the work interchangeable, to reduce numbers, and to establish one homogeneous staff of Revenue Officers with similar scales of pay for the same or similar work.

22. The amalgamation of the Boards of Stamps and Taxes in 1834 led to an immediate economy of 18,342*l.* per annum, but a very large proportion of the reduction was effected in respect of the Commissioners themselves, who were nine in number, and was carried out at a time when there was a much larger opportunity for reform than exists at present. It is pointed out, moreover, by Sir R. Welby, that whereas, before amalgamation, those two branches of the revenue establishments cost together 123,000*l.*, and immediately afterwards 105,000*l.*, yet 13 or 14 years later, the cost had risen to 147,000*l.*

Upon this point he stated in reply to question 22,182:—

"Take the amalgamation of the Stamps and Taxes, which produced a saving of about 18,000*l.* a year. In 1834 the constitution of offices was very different to what it is now. Many of the old fashioned habits and abuses of the last century were still existing. It was a very facile reform to make. I do not

" remember exactly what the number of Commissioners was, but the two Boards, I should think, then had " about 10 or 12 Commissioners.

" 22,183. You are speaking of 1834 now?—Yes, of 1834. The consequence is, that you might get a " considerable proportion of that 18,000*l.* a year out of the mere reduction of the Board without anything " more. So, again, there is a curious fact connected with that reform. I do not know whether it has struck " the Commission. The Commission are probably aware of the leading figures of that amalgamation. The " two different branches of the revenue cost, before amalgamation, together 123,000*l.*; after amalgamation " they cost 105,000*l.*; 13 or 14 years later, when the Stamps came to be amalgamated with the Excise, the " amalgamated branch had risen to 147,000*l.*

" 22,184. From 105,000*l.*?—From 105,000*l.*, or 24,000*l.* or more over the top expenditure before amalgam- " ation. Of course, I should add that the income tax had been imposed in the meantime, though the expense " of the income tax at head-quarters is not very large, inasmuch as the collection, as the Commissioners are " aware, is given to local officers. I mention that as a thing that may be explained, but as a thing that it is " very necessary to have explained when an appeal is made to the success of the old amalgamation."

23. In 1848, again, the amalgamation of the Boards of Stamps, Taxes, and Excise showed a saving of nearly 31,000*l.*, but an analysis of the details, as given in the Appendix, p. 221, establishes the fact that the reductions then effected were principally in the number of higher officers, at that time very numerous, and that there is no probability of reductions upon anything like the same scale in respect of the present Customs and Inland Revenue establishments being now effected. It is not to be forgotten that great reforms have taken place in recent years in both these establishments, and though we are of opinion, that some reductions are still possible at head-quarters, and probably also to a limited extent at some of the ports, it appears to us that these improvements could equally well be effected without amalgamation.

24. It is notorious that large reorganisations have seldom realised the expectations of economy which at the time have been anticipated, and it is a matter of experience that when two services are consolidated, the tendency is inevitable for the higher rates of salary, where there is a difference, to be generally adopted.

In departments of the magnitude of those under consideration, a very small levelling up in the salaries of officers, when brought on to a common establishment, would very quickly counterbalance any but the most substantial economies which might be effected by a reduction in numbers. Sir R. Welby, 22, 188, &c.

The evidence given before us does not justify us in drawing the inference that a scheme of amalgamation could be satisfactorily and economically worked out.

25. It is urged that if the amalgamation of Stamps and Taxes with the Excise was possible, and has in fact been satisfactorily accomplished, it is *à fortiori* desirable to amalgamate the Customs and the Excise, those two services being much more in *pari materiâ*.

But it is to be observed that though in the former case the Boards and some of the higher officers have been amalgamated, yet the services, in certain particulars, are still practically distinct. And though it may appear probable that a consolidation of the Customs and Excise would have been *in the first instance* the more natural course, with the Stamps and Taxes united under another Board, the case is different now when the whole of the Inland Revenue of the country is administered by one Board, and when such a fusion would mean that the whole of the taxation collected by the Customs and Inland Revenue Boards would be under one control.

26. The Chairman of such a Board would occupy a position far above that of any present permanent civil servant, and however strongly it might be laid down that it should not be made a political office, there would be great danger of its becoming one. Nor do we think the argument ought to be ignored, which insists upon the advantage which is to be attached to the criticism from different points of view upon taxation proposals, which is now by the maintenance of two departments at the command of the Chancellor of the Exchequer. It is true that Mr. Gladstone in his evidence does not attach importance to this consideration. But we cannot help thinking that the conditions and circumstances to which his evidence refers were exceptional —not the least exceptional perhaps being his own personality—and it certainly appears to us that, though the Chancellor of the Exchequer can, and of course frequently does, consult official experts, subordinate to the Chairmen of the Customs and Inland Revenue Boards, yet that he is likely to gain by having the assistance of two chief administrators of the revenue, whose advice and whose criticisms must to a great extent start from different and sometimes conflicting standpoints. Mr. Gladstone. 21,443.

It must be recollected that the Chancellor of the Exchequer is always a political officer, and it must occasionally happen that he is not possessed of any large financial training or experience.

27. There remains also the general consideration that, the collection of revenue from dutiable articles imported into the country, and the carrying out of regulations at the ports affecting all imports, is *primâ facie* distinct and different work from the collection of revenue arising within the country, and it may be desirable from this point of view that the Customs Board should remain autonomous, though, of late years, Customs duties have in many respects been simplified. The Merchandise Marks Act, the Contagious Diseases (Cattle) Acts, the Sea Fishing Boats Act (Scotland), and the Wines Act, may be cited as recent additions to the special work of this branch of the service.

28. It is urged that a reduction of staff could be effected at the outports, where there are collectors both of Inland Revenue and Customs, by entrusting the control of both services to the same officer. And further that there are some districts where an officer of either service, whose presence is necessary, but whose time is not fully employed, might economically do the amalgamated work. Upon this point we call attention to the observations of the Customs Board, in which we generally concur. We have received no evidence to justify us in thinking that the saving in this respect would be considerable or beyond the sum of about 5,000*l.* there estimated.

App., p. 224–5.

29. We think that if the Boards were brought into closer relation as we hereafter suggest, opportunities might be found for mutual help between the Departments in the distribution of work, especially in that of collecting as distinct from assessing, but we have received no proof that in either department there are to any great extent officers who have leisure to do the work of the other. And, moreover, both services are sufficiently technical in many respects to require considerable training and experience, which is of great advantage to the chief officers who have the control of their several districts, and who ought to be thoroughly acquainted with the details of all the several branches.

30. Even if we were in favour of the amalgamation of the Boards, we could not endorse the suggestion that the united Board should sit at Somerset House, and the present Customs House buildings be sold, the Customs staff being accommodated in rooms now vacant at Tower Hill. We do not believe that the present work of the Customs Board could be done satisfactorily at Somerset House. The premises on Tower Hill are, we believe, inadequate, and we are convinced that the removal of the controlling authority from the neighbourhood where it is at present located would meet with most strenuous opposition from the trading community of the port of London, who would be most seriously inconvenienced by it.

31. A leading argument in favour of the complete amalgamation of the services is drawn from the system of bonded warehouses. It is said that though a unified code of warehouse regulations has been in use since 1885, it is inevitable that diversities of practice, and consequent administrative inefficiency and inconvenience to traders, will arise from its interpretation by two separate Boards, and by the local officers responsible to those Boards; and it is further urged that as 97 per cent. of the Customs revenue is collected through their warehouses, a transference of the management of all the bonded warehouses would carry with it without difficulty the consequent amalgamation of the two Boards.

Sir A. West. 20,750. 20,944. 20,955–6.

32. The evidence with regard to conflicting interpretations does not establish anything very serious, nor does the stated fact that 76 changes have been made in a code of 633 paragraphs since 1885 prove more than that experience has suggested improvements, and that a body of such minute and varied regulations, so recently codified, should be, from time to time, re-edited, and made as simple and plain as possible.

Customs paper p. 228. Sir A. West. 20,962–3. Sir A. West. 20,834.

33. With respect to the fact that 97 per cent. of the Customs revenue is collected through their warehouses, it is to be remembered that out of 4,485 Customs officers, only 1,215 are employed in the warehouses, and that, outside of those warehouses where the duties are not interchangeable, the multifarious work of the Customs in relation to all imports, whether dutiable or not, amounts to fully two-thirds of their total responsibilities. A great variety of work also is done by the Customs for other departments

of the Government. There are, for instance, the Ships Registry; the receipt of light dues for the Trinity House, and the Board of Trade; the duties of Superintendent of Mercantile Marine and Receiver of Wreck, and enrolment of men in the Royal Naval Reserve; the supervision of the landing and importation of cattle, for the Veterinary Department of the Privy Council; the supervision of the landing and loading of explosives, for the Home Office; the collection of trade statistics; and in time of war between countries with which the United Kingdom is at peace, the most difficult, pressing, and responsible duties both by day and night, under the Foreign Enlistment Act. The taking over of these duties from the Customs by the various departments concerned would necessitate an increase of staff for those purposes; and it appears to us that it would be the reverse of economical not to continue to make use of the Customs officers stationed at the various ports to perform these duties which come readily to their hands.

34. As regards the number of bonded warehouses, and the co-existence at the same place of duplicate establishments, there are now, Inland Revenue warehouses at 156 places, Customs warehouses at 58 places, and Inland Revenue *and* Customs warehouses at 9 places, viz.:—

	Number of Warehouses,	
	Inland Revenue.	Customs.
Liverpool - - -	2	107
London - - -	23	73
Newcastle - - -	14	16
Glasgow - - -	26	22
Leith - - -	11	49
Belfast - - -	8	20
Cork - - -	21	3
Dublin - - -	70	13
Limerick - - -	1	3
	176	306

It is desirable that the recommendations of the Bonded Warehouses Committee, 1880, already alluded to in paragraph 9, should constantly be borne in mind, and that duplicate establishments should, as far as practicable, be transferred to one Revenue Board: but, in face of the facts disclosed in the above list, it would cause great inconvenience and discontent were all the Customs Warehouses at *e.g.*, Liverpool and London to be transferred to the Inland Revenue Board, and the same reason would operate against a transference to the Customs of all the warehouses at the ports. The guiding principle of the transference which has hitherto taken place has been that to the Inland Revenue should be handed over the warehouses at ports where there were no direct importations of dutiable goods. But whether further steps in this direction be possible or not, there is no ground, as regards the cost of warehousing proper, for supposing that the management of either Board is more expensive than that of the other; or that consolidation would effect any economy in this respect. Sir A. West, 21,008–11.

35. It does not appear that the correspondence between the two departments is large. In the year ending September 30, 1888, the letters, including some on unimportant subjects, and 22 in relation to the new wine duty, amounted to only 179, and in the preceding year to 120. Customs paper, p. 229.

36. Some of the Inland Revenue witnesses have laid stress upon an alleged rivalry between the departments which, as they have said, leads, or may lead, some of the officers of either department to deal too easily with traders, in order to secure a larger volume of business, where a choice of warehouses is possible. Such a rivalry is altogether denied by Customs witnesses, and no specific cases have been brought to

our notice. It would, of course, be most objectionable, and would imply a dereliction of duty on the part of public servants, of which we are glad to say we have no definite evidence.

37. It is, on the other hand, not to be denied that we observe in the relations of the two Boards some indications of a want of co-operation, which cannot be otherwise than prejudicial to the public service. Should it, however, be now definitely decided that the fusion of the two Boards, and of the respective services, is not to be carried out, we believe that a good deal of this feeling will cease. And we are further of opinion that effective co-operation of the two Boards can be secured by making regulations for the meeting at stated intervals of a joint committee of the Boards, for the determination of certain questions common to both of them, the constitution, procedure, and duties of such committee being from time to time defined by the Treasury.

38. Such questions would comprise, for instance, the administration of the warehousing code, and of all points arising under it; and the economies which might be effected by a mutual allocation of analogous work, and a consequent reduction of staff.

39. With the Treasury, of course, would rest as now the ultimate decision between any conflicting opinions; but we have every confidence that if the two Boards are brought into regular contact, as we have suggested, many questions would be settled without that arbitrament, and that a co-operation would ensue between the two departments which would be of great advantage to the public service.

40. We have not gone into the details of the organisation of either the Inland Revenue or the Customs departments; nor, in view of all the recent inquiries and reforms, does such an examination appear to us necessary. The evidence, however, which we have taken, with a view of determining as to the expediency of amalgamation leads us to the following observations.

41. It is, we think, of advantage that the ultimate decision on administrative questions of great importance to the taxpayers of the country should be dealt with as now by a body of men of high official position, among whose numbers might be found some who have a knowledge of men and of affairs acquired otherwise than in the exclusive training of a Revenue Department.

42. With this view, and to provide for there being always at least two Commissioners in attendance at all times of the year, as well as for inspection duties, we are of opinion that the Customs Board should consist as at present of a chairman, a deputy chairman, and one other Commissioner. We are not prepared to recommend the reduction of the Inland Revenue Board to so small a number, but we consider that a chairman, a deputy chairman, and two Commissioners should be sufficient to carry on its duties.

43. A secretariat, and an accounting department are necessary in both offices. As regards the legal departments, both the present solicitors agree that the amalgamation of their offices is desirable. In this view we concur, and are of opinion that one chief legal officer, of the status of the present solicitors, would be sufficient to advise upon all revenue questions, including the Customs and Inland Revenue Bill of each year. This would enable one of the existing solicitorships to be abolished on the occurrence of a vacancy, leaving—as at present—one assistant solicitor in each department, who, with their respective staffs, would be under the control of the one chief legal officer. His position, in fact, towards the Customs and Inland Revenue Boards would be somewhat analogous to that occupied by the Principal of the Inland Revenue Laboratory towards other Civil Departments of the State. This officer undertakes the Government chemical work generally; and we think the Customs work should also come to him, as does, *e.g.*, the work of the Board of Trade and India Office.

44. The dealing in this manner with such chemical and legal questions as might come before the respective Boards would be facilitated by the joint committee of the Boards which we have before recommended.

45. It having been suggested to us that the office of the Receiver General might be abolished, we invited the attendance of that officer, and received from him explanations

respecting the present work and organisation of his department, and proposals for absorbing into it the whole of the work now done in the five London collections. We referred Sir A. Slade's evidence to Sir Algernon West, and the latter's criticisms thereon will be found appended, page 297.

The result of this consideration of the subject has been that the Treasury have had placed before them by the Inland Revenue Board a scheme under which the Excise license duties within a given area round Somerset House, and the tax payments into Revenue within a larger area round Somerset House, should be paid to or through the Receiver General. The scheme involves the ultimate abolition of the office of Receiver General, and effects an immediate saving of about 800*l.* a year. We recommend its adoption.

46. We have received numerous memorials from the various grades in the two departments, and although these have little or no bearing upon the question of amalgamation, we thought it desirable, not only to give them full consideration, but also to hear evidence from representatives of those different classes of revenue servants who desired to amplify or explain the suggestions in those memorials. [App. p. 254 to 294.]

The observations of the chairmen of the respective Boards upon the evidence and statements so submitted to us will be found in the Appendix, p. 296 to 320.

47. We find it exceedingly difficult to deal with these complaints. Our instructions are to see if the work of the State is efficiently and economically performed, but though we have given audience to these various classes of officers—an audience which we felt it inexpedient in the public interests to refuse—and have carefully considered their evidence, we do not feel ourselves in a position to report in detail upon it. It would require much more accurate and technical knowledge than can possibly be at our command before we could give opinions adverse to those entertained by responsible heads of offices who are so thoroughly acquainted with the details and nature of the work and with the character and ability of their officers.

48. Apart from questions of minor importance, the general nature of the cases laid before us has been twofold. It has been urged, in the first place, that recent reorganisations have diminished the number of the higher officers, and lessened, as well as retarded, promotion, and that compensation is therefore due for loss of prospects to those who had entered the service expecting to rise as their seniors may have done; and, secondly, it is represented that the salaries are inadequate for the due performance of the very responsible duties which fall to the lot of many of the revenue officers.

49. As regards compensation for loss of prospects, there may, no doubt, be special cases where something in the nature of a definite contract can be shown; but, as a general rule, it should be understood that reductions in offices not required must be made from time to time to suit the requirements of the public service, and that no officer has an actual right to a higher scale than that of the class he may be in. Every opportunity should be taken, when changes are necessary, to reward good service and promote meritorious officers; but it is impossible to adopt the principle that a mere loss of prospects, more or less remote, should entitle a public servant to compensation.

50. We are prepared to recognise to the fullest extent the efficient and responsible work done by the various classes of Customs and Inland Revenue officers, among whom it would be invidious to make distinction. We think that that work is not too highly paid, especially when it is remembered that a great deal of it is faithfully performed under circumstances admitting of great temptation to dishonesty. We are bound, however, to observe, though we should not wish to push the argument of supply and demand too far, that there does not appear to be any lack of fit and proper candidates for employment in the two Revenue Departments.

We observe with satisfaction that some of the points raised before us during the course of this inquiry have already been dealt with since the date of the appointment of this Commission. There are other matters of detail, such, *e.g.*, as the private clerks of the Surveyors of Taxes, the various horse and travelling allowances, the hours and overtime of the Customs outdoor officers, the condition of some of the premises, and various minor suggestions contained in Mr. Murray's careful analysis of

the cases of the Customs officers, which we think must be left to the Revenue Boards, and to the Treasury to deal with, in such manner as to meet, so far as is reasonable, the pleas of the memorialists.

All which we humbly submit for your Majesty's gracious consideration.

M. W. RIDLEY.
BROWNLOW.
ROTHSCHILD.
LINGEN.
BASING.
HENRY H. FOWLER.
A. B. FREEMAN MITFORD.
J. CLEGHORN.
R. W. HANBURY.
A. S. HARVEY.
JOHN W. MACLURE.

HORACE WALPOLE, *Secretary.*
5th June 1889.

I am in favour of the complete amalgamation of the Customs and Inland Revenue Departments, and so far I differ from the above Report, otherwise I adopt it.

CHARLES E. LEWIS.

I am unable to agree to the main recommendation of this Report, viz., that it is inexpedient to amalgamate the departments of Customs and Inland Revenue. The case for and against this development of the policy carried out in the consolidating schemes of 1833 and 1848 has been put before us in reference to (1) financial economy; (2) administrative efficiency; (3) commercial convenience. On all these points I believe the balance of evidence and opinion is in favour of amalgamation.

The advantages of concentrating the collection of the national revenue in the hands of one department of State are so obvious, and have so often been considered by Chancellors of the Exchequer, that it was incumbent upon those who are in favour of either delaying or altogether preventing such a consummation to show strong reasons against it. I respectfully submit that the general upshot of their evidence only went to prove that the revenue is not collected with any greater waste or inconvenience than the existence of two departments with duplicate machinery for that purpose renders necessary. It is quite fair to state, at the same time, that much has been done to simplify and cheapen the process of dealing with that part of the trade of the country which falls under their separate or joint regulation.

It is, however, remarkable that all but one of the trade witnesses who appeared before the Commission expressed themselves strongly in favour of amalgamation. Mr. Sedgwick speaking for the tea merchants was only so far opposed to it that he deprecated the introduction of unskilled officers into the staff that "have been "educated up to the requirements of the tea trade." Mr. Gilbey, who stated that during last year his firm had contributed 394,000*l.* to the revenue, complained of the delay and uncertainty caused by the duplicate system of examination and the constant reference of small points of difference to the two Boards. Mr. Wills, who said that his was the only firm in the United Kingdom, engaged in the tobacco trade, that did business with both Customs and Inland Revenue, pointed out that the divergence of revenue laws enforced by the two departments, as well as the difference in their interpretations of the code and methods of analysis, are prejudicial to the interests of the trading community. He also stated that there was no concerted action between the

Mr. Sedgwick, 23325.
Mr. Gilbey, 23026. 23093. 23103.
Mr. Wills, 24820. 24830–1. 24900.

two departments in following up smuggled tobacco. Although it may be contended that the various causes of grievance might be removed by departmental reforms, and do not call for the introduction of unity of control and supervision, if only without it a spirit of cordial co-operation could be infused into the relations of the two Boards, yet weight should, certainly, be attached to the decided opinion of important branches of trade that no satisfactory settlement can be arrived at short of consolidation. Unfortunately experience shows that a sudden change is not likely to be effected in the established relations of the two departments, especially as regards their local representatives, on the footing of mutual independence, if not jealousy.

The administrative question has been somewhat confused on account of the prevailing impression among the officers of Customs that in case of amalgamation their service would be absorbed, if not abolished. For instance, Mr. Scott, collector of Customs at Glasgow, was opposed to the idea of amalgamation, but in the course of his evidence stated it would be a public advantage if all the warehouses at Glasgow were under the Customs. In the same way Mr. Riddell, Customs collector at King's Lynn, whilst opposing amalgamation, thought it would be a good thing if the warehouses of the Inland Revenue at Boston were transferred to the Customs, and further expressed his belief that the whole of the extra duty could be performed by the present staff. As a rule the officers of Customs began by stating they were against amalgamation, whatever admissions they afterwards made; on the other hand, all the officers of Inland Revenue expressed themselves in its favour, on the ground that the work could be done more efficiently by one staff with one head, both at the principal and the small ports. It was the opinion most of the witnesses that economies might be effected in the cost of supervision by reducing the number of officers and concentrating their powers and functions.

Mr. Scott, 23988–9. Mr. Riddell, 24666–7. 24604–5.

In reference to the large cost of the Solicitors' offices in the two departments, both Sir William Melvill and Mr. Follett were impressed with the public waste and inconvenience of dual action in respect to identical matters of administration, and both are in favour of complete amalgamation. "I have always thought," said the Solicitor to the Customs, "that the existence of two Revenue Boards for work which is so very "cognate, especially with regard to indirect taxation, that is the Customs and the "Excise, was an unbusinesslike arrangement and rather cumbersome."

Mr. Follett, 22935.

There are now nine ports in the United Kingdom at which there are duplicate warehousing establishments. In Liverpool 107 warehouses are under Customs and only 2 under Inland Revenue; in Belfast there are 20 under the former and 8 under the latter; in Leith the proportion is 49 to 11. Even if it be undesirable to fuse together the two departments there seems to me to be no valid reason why the recommendation of the Departmental Committee of 1880 should not be carried out universally, viz., "that in districts where there are duplicate establishments, all of them should be "transferred to one Revenue Board." This work is of an identical nature, and it was pointed out that where their proposal had been carried out, a considerable saving of public money had been effected. There can be no doubt that in the other ports the work could be more satisfactorily performed by one set of officers than by two, as at present.

Sir A. West 20748.

Sir A. West pointed out that at most of the smaller outports, by means of amalgamation, an officer of either department might fill up his time by discharging duties that are now divided between two persons. In these places there is need for reform, and I feel assured that the work is insufficient for the full capacity of the double staff. At Aberystwith, for example, the gross amount of Customs revenue collected in 1882 was 1*l.* on tobacco, and that was on a higher scale of charge than now exists.

20868 *et seq.* 20845.

The total reduction in expenditure that might be effected by amalgamation is estimated by the Customs at 11,000*l.* a year, but it must be remembered that this applies to head-quarters only. Sir A. West was of opinion that it would "enormously exceed that amount" without including the proceeds of the sale of duplicate offices throughout the country, and that it would gradually increase, because, as vacancies occurred, it would be possible to diminish the size of the service. Great weight has been properly attached to the evidence of Sir R. Welby on behalf of the Treasury, but much turns upon the line of argument he felt himself obliged to pursue. Summarising his answers he said, "I should like to end by saying that I feel rather bound to "appear as a kind of devil's advocate, that is to say, to put before them, *i.e.*, the Com- "mission, a critical view of amalgamation." He considered certain objections ought

20896. 21032. Sir R. Welby, 22265.

to be fully met, as I venture to think has been the case, before any such recommendation should be made.

It has been urged that one consequence of amalgamation would be general levelling up of salaries, on account of inequalities in the remuneration of corresponding classes of officers in the two departments. Against this argument the evidence of the memorialists among the outdoor officers shows that the same comparison is now drawn, and it is probable that the existing state of things perpetuates the competition for advancement and increase of salary between the officers of Customs and Inland Revenue. In any event it is not a good thing that two sets of men, performing work of the same or an analogous character, should be paid at different rates, and the effect cannot be beneficial to the public service. As fears have been expressed that union would lead to the creation of a large army of civil servants under one system, able to combine for joint purposes and thus to impose their will on Parliament, it is well to point out that the possible staff of a combined department could not be compared in point of numbers with that in the employ of the Post Office. Besides, this is an argument based on the possible weakness of the heads of departments, which it may be hoped is very exceptional.

In another way some are of opinion that the rivalry between the two departments is of benefit to the State, as likely to produce greater zeal and vigilance in the collection of the Revenue, but against this must be set the tendency to accommodate merchants for the sake of business on easier terms than are consistent with public interests. The latter is a danger of the system of dual control which requires attention.

Lastly, I come to that class of objections which may be called political in character. In the first place it is feared that the chairmanship of the Revenue Board will be too important a place to be filled by any other than the Parliamentary nominee of the party in power. "The danger is," said Sir R. Welby, "that you may get a man of sufficient
22261. "parliamentary standing, but who is only going to take it as a form of pension." In answer to this it may be asked whether the recurring opportunities of the present system have not exposed the public service to this very abuse of patronage in the Revenue Departments. The greater prominence that amalgamation would give to the one office
22203–5. would probably be a guarantee against this evil. Secondly, it is suggested that the Chancellor of the Exchequer would lose the benefit of the dual advice and support that he obtains from two responsible officers at the head of the two Revenue Departments in matters of taxation. Against this there is to be set the decided opinion of the two ex-
Mr. Gladstone, 21443. Chancellors who appeared as witnesses, Mr. Gladstone and Mr. Childers. With all the weight of his unrivalled experience, Mr. Gladstone said, "in my opinion there is no such "advantage whatever . . . if it is a question between having one more highly organised "Board and two Boards somewhat less highly, I have no hesitation in saying, I would "much rather get the whole of my advice from one Board." As a matter of fact, it came out in evidence, that, on the special points arising in the Budget, expert advice is always taken from the subordinate officials conversant with the question at issue. Speaking generally, it seems to me of the greatest importance that these two statesmen, who have themselves had so much to do with the finances of the country, should have advocated the amalgamation of Customs and Inland Revenue in so emphatic a manner.

The above reasons have led me to the conclusion, that it is expedient and opportune that an entire consolidation should be effected, but, short of a thorough reform of this kind, I concur fully with the recommendations of the majority of the Commission.

H. L. W. LAWSON.

THIRD REPORT

OF THE

ROYAL COMMISSION

APPOINTED TO INQUIRE INTO THE

CIVIL ESTABLISHMENTS

OF THE DIFFERENT

OFFICES OF STATE AT HOME AND ABROAD.

MINUTES OF EVIDENCE, WITH SUMMARY.

Presented to both Houses of Parliament by Command of Her Majesty.
1889.

LONDON:
PRINTED FOR HER MAJESTY'S STATIONERY OFFICE,
BY EYRE AND SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.

And to be purchased, either directly or through any Bookseller, from
EYRE AND SPOTTISWOODE, East Harding Street, Fleet Street, E.C., and
32, Abingdon Street, Westminster, S.W.; or
ADAM AND CHARLES BLACK, 6, North Bridge, Edinburgh; or
HODGES, FIGGIS, & Co., 104, Grafton Street, Dublin.

1889.

[C.—5748.–I.] *Price* 2*s.* 10*d.*

CONTENTS.

	Page.
Index to Summary of Evidence	xxi
Summary of Evidence	xxiii
List of witnesses	li
„ „ arranged alphabetically	li
„ „ departmentally, &c.	lii
Minutes of Evidence	1

APPENDIX.

Papers handed in by witnesses and others—

(1.)	Memorandum by Board of Inland Revenue				221
(2.)	Memorandum by Board of Customs				222
(3.)	Board of Inland Revenue reply to Customs memorandum				226
(4.)	Board of Customs reply to Inland Revenue memorandum				227
(5.)	Sir W. H. Melvill. Memorandum upon the Legal aspect of the Question of amalgamation of the Customs and Inland Revenue				230
(6.)	Dr. Bell. Report on the Inland Revenue Laboratory Department				231
(7.)	Mr. H. Murray	(*see* Question 21,527.)		List of Ports, amount of Revenue collected at, &c.	233
(8.)	„	(„ 21,760.)		Return showing the Actual Expenditure for effective services of the Customs Department for the years 1880–1 to 1887–8 inclusive	236
(9.)	„	(„ 21,797.)		Statement of duties performed by Customs officers as Superintendents of Mercantile Marine	238
(10.)	Mr. Hunter	(„ 25,073.)		Table of comparisons between Inland Revenue indoor officials and outdoor officials, with percentage of higher grade appointments open to each	238
(11.)	Mr. Crowe	(„ 25,112.)		Table showing loss sustained by 2nd class officers, Excise Outdoor Service	240
(12.)	Mr. Cunningham	(„ 25,150.)		Correspondence between the Excise Outdoor Officers and Board of Inland Revenue	241
(13.)	Mr. Crowe	(„ 25,213.)		Allowance for horse keep	244
(14.)	Mr. Symons	(„ 25,612.)		Correspondence between the Board of Customs and Examining Officers *re* travelling expenses	245
(15.)	„	(„ „)		Correspondence between the Treasury and Examining Officers, *re* extension of hours	246
(16.)	Mr. Strickland	(„ 25,827.)		Comparison of cost between Proposed and Present classification, Customs	246
(17.)	Sir R. Welby	(„ 22,164.)		Correspondence between Treasury, Inland Revenue, and Customs, about certain Warehouses	247

Page

Correspondence with Traders - - - - - - - - - - 251

Memorials received from the various grades in the Inland Revenue and Customs Departments—

Inland Revenue—Excise Outdoor Service - - - - - - - 255

„ „ Assistants of Excise - - - - - - - 261

„ „ Second Class Inspectors - - - - - - - 263

„ „ Surveyors of Taxes - - - - - - - - 264

Customs—Examining Officers. Port of London - - - - - - 270

„ Outdoor Officers - - - - - - - - - 273

„ „ „ Port of Liverpool - - - - - - - 276

„ Examining Officers „ „ - - - - - - - 280

„ „ „ Outports - - - - - - - 284

„ Assistant Examining Officers - - - - - - - - 286

„ Extra Outdoor Officers - - - - - - - 286

„ Surveyors, Port of London - - - - - - - - 287

„ Boatmen, Liverpool - - - - - - - - 291

„ „ Harwich - - - - - - - - 293

Remarks on Evidence and Memorials—

Sir A. West upon the evidence given by Sir A. Slade - - - - - 297

„ „ „ Messrs. Anderson and Fisher - - - - 298

„ „ „ „ Blake and Gough - - - - 298

„ „ „ „ Hunter, Cunningham, Crowe, and Webster - 298

Mr. H. Murray „ „ London Out-door Officers - - - - 299

„ „ „ „ Examining Officers - - - - 303

„ „ „ „ Surveyors - - - - - 311

„ „ „ Liverpool Out-door Officers - - - - 312

„ „ „ „ Examining Officers - - - - 315

„ „ „ Outport „ „ - - - - 316

„ „ „ Assistant „ „ - - - - 317

„ „ „ Boatmen - - - - - 317

INDEX TO SUMMARY OF EVIDENCE.

	Page.
Anderson, J.	xlv
Barrett, C. G.	xli
Bell, Dr. J.	xxxiii
Biggs, B.	xliii
Blake, F.	xlv
Brown, R.	xl
Childers, Right Hon. C. E.	xxxi
Clarke, T. W.	xxxvii
Crowe, R.	xliv
Cubbin, T.	xlvi
Cunningham, J. G.	xliv
Devereux, M.	xlvi
Fisher, F.	xlv
Fleming, J.	xxviii
Follett, C. J.	xxxiv
George, I.	xlvii
Gilbey, H. P.	xxxv
Gladstone, Right Hon. W. E.	xxvii
Gough, W. L.	xlv
Hinks, W. H.	xxix
Hunter, H. W.	xliv
Hutchison, P.	xliv
McCleery, J. C.	xlviii
Matheson, D. M.	xxxviii
Mayston, G.	xlviii
Melvill, Sir W. H.	xxx
Molineux, J.	xlii
Molóney, D.	xlvii
Murray, H. H.	xxv
Norton, F.	xxxvi
O'Loughlin, G. S.	xlviii
Prowse, R. T.	xxv
Riddell, A.	xli
Scott, J.	xxxix
Sedgwick, R.	xxxvi
Slade, Sir A.	xxxii
Smith, G. M.	xlvii
Strickland, J.	xlviii
Symons, W.	xlvi
Usher, R.	xxxix
Webb, T. A.	xlvii
Webster, W. H.	xliv
Welby, Sir R. E.	xxix
West, Sir A.	xxiii
Williams, D. P.	xxviii
Wills, W. H.	xlii

SUMMARY OF EVIDENCE.

For Index, *see* page xvii.

Sir ALGERNON WEST.

The Inland Revenue Department collected in 1887-8, 57,461,377*l.* - - 20,602-3, 20,606
With a staff of 5,600 officers, and at a cost of 3*l.* 8*s.* 0*d.* per cent. - - 20,602-5, 20,607
Collects Revenue under Excise, Stamps, and Taxes - - - - - 20,608-9
Explanation of Excise proper, which includes all licenses - - - - 20,610-20
Some licenses are collected by the Post Office 20,616
Inland Revenue Departments collects all the Railway Passenger duty - - 20,616, 20,621-3
All Inland Revenue, other than Excise, comes under Stamps and Taxes - - 20,624
All the receipts come through the collectors, or through the Post Office - - 20,625-8, 20,882
The Post Office will furnish free Post Office Orders for payment of Income Tax 20,629-31, 20,638
The Post Office only receives money tendered to it, but is not responsible for amount being correct - - - - 20,632-6
In some towns, Postmasters act as Distributors of Stamps - - - - 20,639-40
No other department (except Customs) does any work for Inland Revenue - - 20,641
But the police help in discovering license evasions - - - - - 20,642-3
Since the fusion of Stamps and Taxes with the Excise in 1849, the fusion, as regards collecting officers, is complete - - 20,644
And absolutely complete below the rank of Assistant Secretary - - 20,645, 20,685, 20,936
The fusion as regards the Board is also complete - - - - 20,646, 21,081-4
Board now consists of a chairman, deputy, and three commissioners - - - 20,647-8
Duties of the Board - - - 20,649-62
In the event of an amalgamation with Customs, thinks that at first, men of experience from the Customs would deal almost entirely with Customs matters - 20,663-5
The Customs in 1886-7 collected about 20,000,000*l.* - - - - - 20,665
With an establishment of about 4,500 officers, and at a cost of 4*l.* 6*s.* 8*d.* per cent. - 20,665
A considerable part of Customs work is connected with matters which do not yield revenue - - - - - 20,666, 20,690-1
About 20 per cent. of Inland Revenue collections, and about 97 per cent. of Customs is collected through warehouses - 20,666-7, 20,672
If the warehouses were transferred to the Inland Revenue, it would seem unnecessary to have a Board with all its highly-paid officers to collect the small remaining amount of Customs Revenue - - 20,967-8
Considers that one amalgamated Board, with a chairman, and four commissioners, would be able to administer Inland Revenue and Customs - - - - - - 20,668-72
In warehouses, work in Inland Revenue and Customs is exactly the same - - 20,672-3
If amalgamation of the warehouses took place, does not say that numbers of officers would be diminished - - - - - 20,672-4
The amalgamated Board could sit together in one place - - - - - 20,676-9
The Customs business at Liverpool is conducted without a Board sitting there - 20,677
If necessary, the Board might meet one day at Somerset House, and another day in Thames Street - - - - - 20,679
Both Board and Secretaries can devolve a certain amount of work - - - 20,682
Duties of Secretaries and Assistant Secretaries - - - - - 20,680-1, 20,683-7
One Secretary could deal with all the warehouses, Inland Revenue, and Customs - 20,687-9
The Inland Revenue Solicitor considers that one Solicitor is amply sufficient to deal with Inland Revenue and Customs questions - - - - - 20,694-9
Has personally found inconvenience in having to consult two Solicitors - - - 20,700
The office of Receiver-General might be abolished - - - - - 20,702-8
One Accountant-General would be sufficient for the amalgamated departments of Inland Revenue and Customs - - 20,708-9
Duties of Chief Inspector and other officers of Excise - - - - - 20,709-13
The Chief Inspector of Stamps and Taxes would not be affected by amalgamation - 20,714-5
Principal of Inland Revenue Laboratory thinks great advantage would accrue from amalgamation - - - 20,715-6, 20,723-4
His duties - - - - - 20,715
There is a chemist at the Customs - - 20,716
And 34 Customs officers employed in chemical work - - - - - 21,059
Instance of difference of opinion between the two chemical officers which gave great trouble - - - 20,717-22, 21,060
Though it may be argued that the criticism of the one upon the other may be of advantage - - - - - 20,721-2
If there was only one Laboratory Department, there would be a saving - - - 21,060-4
Duties of Special Commissioners of Income Tax - - - - - - - 20,724-39
In the event of amalgamation, their duties could probably be performed by members of the Board - - 20,724, 20,729, 20,738
Duties and salaries of Surveyors of Taxes - 20,646, 20,740-2.
They would not be affected by amalgamation with the Customs - - - 20,743-6, 21,058
Surveyor of Taxes is fully occupied - 21,057-8
Account of the warehouse system - - 20,747-8
Since 1883, there has been a unified code of warehouse regulations - - 20,748-50, 20,825
But the two Boards do not interpret the Code in an identical manner - 20,750, 20,754, 20,825, 20,951.
The result is that there have been 76 changes in the 633 paragraphs of the Code - 20,750, 20,944, 20,955-6.
And the Treasury have sanctioned different interpretations - - 20,750, 20,826, 20,952-4
Instances the case of the system of registering transfers - - - 20,750-1, 20,951
Traders have constantly complained of their different treatment in the respective warehouses - - - - - - 20,752-3
The only means of maintaining identity of warehouse practice is by having only one Board - - - 20,754, 20,950, 21,013-4
The code is not annually re-edited - - 20,945-9
There are ten ports where both Inland Revenue and Customs have warehouses - 20,755-7, 20,788-9
Inland Revenue warehouses contain "wet" and "dry" goods, *i.e.*, all dutiable articles 20,758-61
"Dry" goods and "wet" goods practically mean Customs and Inland Revenue respectively - - - - - 20,797-803

Summary of Evidence.

SIR ALGERNON WEST—*cont.*

Trader selects either warehouse, according to his convenience - - 20,762–4, 20,777, 20,804

Everything coming from abroad has to pass through the Customs - - - 20,765–6

Articles after being taken account of at the ship's side, can go to an Inland Revenue warehouse - - - - - 20,767–71

Inland Revenue collects the duty on Customs articles deposited in Inland Revenue warehouses - - - - - 20,772–6

After a Bond is given, the trader cannot remove any article from a warehouse till the duty has been paid - - - - 20,778–87

There are no Customs warehouses, except at the ports - - - - - - 20,790–1

There are Customs warehouses at about 60 ports - - - - - - 20,792

The trade wish to increase the number of warehouses, but the Government wish to reduce them - - - - - - 20,794

There are Inland Revenue warehouses in 170 places - - - - - - 20,796

A distiller makes spirits on his own premises, under the survey of the Inland Revenue - 20,805–6

The two departments endeavour, by pleasing traders, to keep goods in their own warehouses respectively, which is not advantageous to the Revenue - - 20,807–9, 20,956–8

Customs collect annually for Inland Revenue about 3,500,000*l.*, and Inland Revenue for Customs about 2,000,000*l.* - 20,810–17, 20,821–4

There is no friction in the adjustment of the Accounts - - - - - - 20,818–20

Inland Revenue officers do none of the Customs' work connected with discharging goods from a ship, &c. - - - - 20,827–30

Nor do Customs officers do any Excise duties, excepting those connected with warehouses - - - - - - 20,830–4

Outside the warehouses there is no interchange of duties - - - - 20,834

One-half or two-thirds of Customs work is outside the warehouses - - - 20,835, 20,959–62, 20,969–71, 20,979

Out of 4,485 Customs officers, 1,215 are employed in the warehouses - - 20,962–6

Many ports where there are Customs officers, but no warehouses - - - - 20,836

All round the coast there are many places with both Inland Revenue and Customs officers - - - - - 20,837–8

At many of these, there can not be sufficient work for the Customs officer, though he must be there - - 20,842–58, 20,870–3, 20,982–4

But if amalgamation took place, he could help the Inland Revenue officer - 20,850, 20,873, 20,921, 20,982–4, 21,021–2

In some places there are Inland Revenue officers who are not fully employed - 20,919–20

In every port and excise town, apart from the outdoor service, there is a large clerical establishment - - - - 21,033–4

Customs officers do work on behalf of harbour companies, &c. - - - 20,859–62, 20,868–70

A great deal of the work done by the Customs is really Board of Trade work - 20,863–7, 20,876

Inland Revenue collect agricultural statistics for Board of Trade, but this causes practically no work for the Board - 20,864, 20,874–5

Inspectors of Excise and Customs are all in Somerset House - - - 20,877, 20,885

Collectors are highest officers in the country 20,878, 20,891

They collect for Stamps and Taxes, as well as Excise - - - - - 20,879

They pay the revenue collected direct to agents of the Bank of England - - 20,880–2

Salaries of surveyors and collectors - - 20,886–7

If amalgamation took place, those officers would undertake Customs duties 20,888–90, 20,892

If an appeal came from or against a collector, the inspector would report upon it - 20,893–5

Mr. Adam Young, Mr. Forsey, and other high authorities are strongly in favour of amalgamation - - - - - 20,896

Believes that economy effected by amalgamation, would enormously exceed the 11,000*l.* estimated by the Customs - - 20,896

Without including the sums that might be obtained by the sale of the Custom House, &c. - - - - - 20,896

The Customs staff might be accommodated in rooms now vacant at Tower Hill - 20,897–903

Which are not so valuable as the Custom House - - - - - 20,904

If departments were amalgamated, there would be no necessity for increasing the pay of any of the commissioners - - 20,905–6

Thinks there are very great advantages in having a Board for the collection of the Revenue - - - - - 20,907–11

The impersonal character of a Board is of great importance - - - - 20,908

The Board sits from 1½ hours to 2¼ hours a day - - 20,660–1, 20,912, 20,916–7

Three forms a quorum - - - 20,660, 20,909

The rest of the day they sit singly in so-called committees - - 20,661, 20,913–5

Difficulty in putting forward a detailed scheme of amalgamation - - - 20,918

The previous amalgamations have resulted in economy - - - - - 20,922–8

Since 1862 many reforms have been effected without amalgamation - - - 20,929

Distributors of Stamps paid by poundage are being gradually done away with - - 20,929–35

It would have been better originally to have amalgamated Stamps and Taxes on the one hand, and Customs and Excise on the other - - - - - 20,937, 20,939

But to take such a step now, would be to destroy the work of 40 years - - 20,938, 20,940

The further amalgamation now proposed is most desirable as regards economy, efficiency, and public convenience - 20,941, 21,067–8

Even if the economy was found to be small or none, would still advocate it on the other grounds - - - - - 21,069–71

Amalgamation could be so thorough as not to require a separate establishment for the Customs - - - 21,072–6, 21,080, 21,085

In the first instance amalgamation would be in controlling departments only - 21,077, 21,094

And in course of time would descend down into lower ranks - - - 21,078–9, 21,095

In comparing cost of the two departments, account must be taken of the work they do in respect of non-dutiable articles - 21,086–8, 21,093

The collection of agricultural statistics by Inland Revenue may be compared to work done by Customs for other departments - 21,089–91

The Customs does more work for other departments than the Inland Revenue does - - - - - - - 21,093

Thinks it is Utopian to hope that the warehouses could be satisfactorily managed by a committee of the two Boards - 20,942–3

The Preventive Service proper, *i.e.*, the Coastguard, is under the Admiralty - 20,839–41, 20,973–6.

Believes that within the limits of the Ports, the Preventive Service is done by Customs officers - - - - - 20,977–8

Progress of transferring warehouses was stopped for following reason - - 20,985

At nine Ports selected, the cost of the Customs was 12,964*l.*; the Inland Revenue estimated they could do the work for 9,260*l.*, upon which the Customs said they would do it for 9,433*l.* and have since reduced the cost to 5,771*l.* - 20,985–21,007, 21,065–6

The inference witness draws is that at that time (1883) the Customs mode of managing the warehouses was more expensive than the Inland Revenue - - - - - 21,008

But now this is no longer the case - - 21,009–11

Therefore economy would not be effected in the warehousing proper, by amalgamation - - - - - 21,017–20

But so far as regards the warehouses would be confined to the upper officers - - 21,018

Does not believe that the average cost for officers in the Inland Revenue is greater than in the Customs, if comparison is made between officers doing a similar class of work - - - - 21,023–7

Sir ALGERNON WEST—*cont.*

Believes that with this comparison the Customs average is 206*l.*, and the Inland Revenue, 176*l.* - - - - - - 21,026–7
Sees no reason why, if amalgamation takes place, salaries should be levelled up - 21,028–32, 21,048–9.
Levelling down might be quite possible - 21,050–2
The economy would be gradually effected - 21,032
Traders will probably express different views on subject - - - - - - 21,035–6
Thinks it will be found that traders who formerly were under Customs, and now are under Inland Revenue, would not wish to go back to Customs - - - 21,036
This is not because Inland Revenue is more lax, but because they are easier to work with - - - - - - 21,037–8
Thinks two-thirds would prefer doing business with one Board instead of two - - 21,039–41
Has often heard traders express opinion hostile to the existence of the two departments - - - - - - 21,041
Extra pay is given by merchants to Customs officers, which would not be allowed by Inland Revenue - - - - - 21,042–4
First and second class Inland Revenue officers may probably be compared with Customs examining officers - - - - 21,045–7
The lower officers of Stamps, Taxes, and Excise have been, and are being amalgamated as much as possible - - - 21,053–6
Does not think that a partial amalgamation of certain branches under a president and deputy-president of each department, forming one common board for such amalgamated branches, would answer - 21,096–7
Thinks Inland Revenue and Customs authorities together, could produce a scheme of amalgamation - - - - - 21,097
The Statistical Department of the Customs could be handed over to the Board of Trade - - - - - - 21,907

Mr. MURRAY and Mr. PROWSE.

Deputy Chairman and Secretary respectively of the Board of Customs - - - 21,098
In 1887–88 the total amount collected by Customs officers was 21,518,440*l.* - - 21,099
Of this amount 3,662,696*l.* was collected for the Inland Revenue - - - - 21,099
The Inland Revenue collected for the Customs 1,935,591*l.* - - - - - - 21,099
The gross amount of Customs Revenue was 19,791,335*l.* - - - - - - 21,099
The charge for collection was 932,283*l.* - 21,100
Since 1862 the main Customs duty abolished has been that on sugar - - - - 21,101
The memorandum already handed in deals with the changes made for the convenience of merchants - - - - - 21,102–5
Since 1862 the actual work in connexion with the Revenue has slightly decreased, but the whole work of the department has increased owing to new functions imposed upon it - - - - - 21,106, 21,122
These new functions are connected with the importation of cattle, British marks, cotton statistics, registration of fishing boats, &c. &c. - - - - - 21,107
Account of work in connexion with importation of cattle - - - - 21,108–12
The Merchandize Marks Act of last year has added much work - 21,113, 21,116, 21,118, 21,120–1, 21,177–81
Sea Fishing Boats Act (Scotland) gives a good deal of trouble - - - 21,114–5
The Wines Act has also given much trouble 21,182
No definite increase of staff has been made in consequence of these different Acts - 2,117–9
Ships with free goods have to be dealt with as well as ships with dutiable goods - 21,123–4
There are 4452 established officers under the Customs - - - - - - 21,125
Manner in which these officers are divided - 21,126–9
The Board consists of the Chairman, Deputy Chairman, and one Commissioner - - 21,130–1
It was composed of five in 1867 - - 21,132
Mode of transacting business - - 21,133–47
The Board meets every day - - 21,133, 21,770
The work is divided into branches - - 21,139–42
Is not in favour of Boards for transacting business if they meet every day - - 21,148
A Board is useful if kept for consultation - 21,149–50
At the Customs now the endeavour is to do the work more in Committees and less in the Board - - - - - - 21,151
Matters are very much in the hands of the Chairman - - - - - - 21,152–3
The Commissioners are all equal - - 21,154
If anything goes wrong, the responsibility rests with all the Commissioners - - 21,155–6
No quorum necessary for meetings of the Board - - - - - 21,157, 21,162
Sometimes only one is present - - 21,158–61
Thinks it would be better to have one responsible Comptroller and a Deputy - 21,163–7, 21,170–1, 21,591, 21,706
But the directing power should not be less than three, to allow for ordinary leave and absence on inspection - - 21,591, 21,706
No formal record is kept of Board Minutes - 21,168–9
The Secretary's office is now disorganized because it has too much to do - 21,172–3, 21,175–6
Would not welcome a proposal to take over the Inland Revenue work also - - 21,174
The Annual Customs and Inland Revenue Bill is settled by the Solicitor of the two departments - - - - - 21,184
This causes no inconvenience or difficulty - 21,185
The draft clauses prepared by the Customs Solicitor are inserted as a matter of course 21,186–8
The total charge for the Customs Solicitor's office is 4,815*l.* - - - - - 21,189
The Receiver General was abolished in 1872 - - - - - - 21,191–2
The money at the ports is paid by the collectors into the local branches of the Bank of England - - - 21,193–5, 21,201–7
If there is no branch Bank of England it is paid through some other bank - 21,196–7, 21,208, 21,323–4
No actual cash comes to the Customs from the collectors - - - - - 21,198
Except Revenue paid in at the Port of London 21,477
The Bills used to go direct to the Accountant General - - - 21,199–200, 21,208–11 21,213–8
They are now sent straight to the Bank - 21,468–77
The check upon the remittances is sufficient 21,212
There are two Surveyors General and one Acting - - - - - - 21,219–24
Duties of the Surveyors General - - 21,225–31
The Statistical Department is a large one - 21,232–3
Work done by the Statistical Department - 21,234–7
Some statistical work done at Liverpool - 21,238–45
The Export and Import Statistics published in the Board of Trade Returns are entirely prepared at the Customs House - - 21,246–8
The Board of Trade do not examine them in any way - - - - - - 21,249–60
Sometimes the figures are inquired into as to their accuracy - 21,252, 21,261–3, 21,288–91
A proposal was made a few years ago to hand over the Statistical Department to the Board of Trade - - - - 21,264–8
The collection of statistics at the ports is done by Customs officers, who in any case must be employed there - - 21,269–72
Better that their men should not do work under the orders of another department - 21,273–5, 21,280–1
They do the shipping statistics directly under orders from Board of Trade - 21,282–6
The Customs do not make much use of the statistics for their own purposes - - 21,276–9
The statistics are kept currently - - 21,292–3
The Bill of Entry is a branch of the Statistical Department - - - 21,294–9
Duties of collectors at ports of London and Liverpool - - - 21,300–10, 21,312–9

Summary of Evidence.

Mr. MURRAY and Mr. PROWSE—*cont.*

Duties collected in Liverpool about 3,500,000*l.* 21,311, 31,321
And in London about 10,700,000*l.* - 21,311, 21,320
Cash is received in the Long Room in London - - - - 21,326-8, 21,477
And Bank of England clerks call for it daily - - - 21,329-30, 21,478-85
The collector at Liverpool deals with many points that the collector at London does not deal with - - - - - 21,571-2
When anything goes wrong in Liverpool or London it is reported to the Board - 21,573-7
The Board deals with some questions of a lower class in London than it does in cases coming from Liverpool - - - 21,578
The collector at Liverpool receives a higher salary than the collector in London because of his greater responsibility - 21,579-80, 21,588
The collector in Liverpool has quite different duties to the collector in London - - 21,581-8
Duties of inspectors - - - - 21,331-3
Duties of surveyors - - - - 21,334-5
Duties of examiners and out-door officers - 21,336-8
Rummaging is done by examining officers and boat men - 21,339, 21,362, 21,422, 21,426
The examining officer and crew meets a vessel coming into the port of London below Gravesend, and an officer is placed on board in charge - - 21,340-54, 21,361-2
Boatmen are on the establishment - - 21,355
There are also a large number of extra or "glut" men - 21,355-60, 21,412-3, 21,541, 21,545
Who are only paid wages when actually employed - - - - - 21,546-51
When a vessel reaches the docks the landing staff take charge of her - - 21,361-5, 21,371-2
Import jerquers see whether the cargo agrees with the report - - - 31,366
Examining officers do both water guard and landing work - - - - - 21,367-9
Manner in which a ship reports and discharges her goods - - - 21,373-93
The jerquing work is now done by a clerk - 21,394-99
Examining officers are promoted from out-door officers - - - - 21,400-1
Boatmen are nominated by Treasury, and pass a slight educational and physical test - 21,403-5, 21,408, 21,411, 21,424, 21,428-9
Many of the men appointed cannot row - 21,406
They have to serve six months' probation - 21,416-8
Many of the extra or "glut" men are more reliable from the point of view of safety - 21,409, 21,414-5, 21,542
But would not employ more than at present 21,543-4
It would be better if sailors could be appointed - - - 21,409-10, 21,419-20
Boatmen do not often get promotion - 21,421-2, 21,427
The out-door officers are appointed by open competition - - - - - 21,430-1
The majority of them are respectable young Irishmen - - - - - 21,432-3
They do their work well - - - 21,434
But are hardly a satisfactory class, as they are apt to be above their work - 21,434, 21,437
The old "landing waiters" were a superior set of men - - - - 21,438
The technical work is learnt after entry into the service - - - - - 21,435-6
Collectors at small ports act as surveyors - 21,488
They always have a small clerical staff under them - - - - 21,489
In some places there are only superintendents or principal coast officers - - 21,490-7
They require technical and special knowledge - - - - - 21,498-9
Thinks that in some places Customs officers might receive money for Inland Revenue, but they could not assess - 21,500-1, 21,506-9, 21,610-2, 21,733-5
Thinks the only duties that are analogous at Inland Revenue and Customs are those in the warehouses - - 21,505, 21,511, 21,519
Believes that the Customs officers who are employed in warehouses are paid at a lower rate than the assistants of Excise - 21,510-6, 21,520
The Customs employ officers of a lower grade than any in the Inland Revenue, and at a lower salary - - - - - 21,517-8
Classes of Customs and Inland Revenue officers are not the same, therefore difficult to compare salaries - - - - 51,520-6
Does not know what is the work done by various Inland Revenue officers 21,502-3, 21,524-5
Hands in return showing the number of ports under each grade of officer, the amount of Customs and Excise duties, and of foreign trade - - - - 21,527-9
Coastguard do some work for the Customs - 21,530-40
The coastguard do not do preventive duty in ports - - - - - 21,536-7
Although 97 per cent. of the Customs Revenue is collected in warehouses that does not represent the whole cost, labour, or responsibility of collection - - - 21,565
Thinks two-thirds of the Customs work is done before the goods get into the warehouse - - - 21,552-3, 21,563-4
And that this is the most difficult and responsible part - - - - 21,564
Inside the warehouse the work done by Inland Revenue and Customs is practically the same - - - - - 21,554-6
So far the officers are interchangeable - 21,557
The regulations are identical, and contained in one Code - - - - - 21,558-9
There have been many alterations in the Code - - - - - - 21,560
These alterations have not been caused by having two Departments to deal with - 21,561
But by corrections and improvements of system - - - - - - 21,562
Water-guard service and import gauging requires special training - - - - 21,566-9
Objects to amalgamation of Customs and Inland Revenue for following reasons - 21,589
1. It will make too large a business for one Board well to manage - - 21,589
2. It would impose fresh duties on the officers, which would impair their efficiency - - 21,589, 21,592-3, 21,596-7
3. While the area of saving is limited, the area for increased expense is large - - - 21,589-90, 21,781
As the probability is that salaries would be levelled up - - - - - 21,590, 21,781
Does not think that more than 10,000*l.* a year would be saved by amalgamation - 21,781
The saving would be in the supervision - 21,782-4
The Customs work must remain a separate branch whether amalgamation takes place or not - - - - - 21,594-5
Savings might be made without amalgamation at places where there are two collections, *e.g.*, Long Room in London and Dublin - - - - 21,598, 21,606-8
An Inland Revenue collector and staff are located in the Custom House in Thames Street - - - - 21,599-606, 21,609
The Customs head office must be near where it now is, but it does not signify whether it is at Tower Hill or in Thames Street - 21,613-4, 21,619
If the Board were at Somerset House, it would be necessary to have a collector with large responsibility at the Customs House - - - - - 21,615, 21,776-8
And it would be necessary to have a local committee to deal with the Merchandize Marks Act - - - - - - 21,779-80
The collector and other officers in London come personally a good deal in contact with the Board - - - - - 21,616-8
Some questions that arise are dealt with at once - - - - - - 21,620-1
Some that are not could be dealt with at Somerset House equally as well as at the Customs House - - - - 21,622-3, 21,774-6
Last year the Customs wrote 179 letters to the Inland Revenue, some being merely formal returns - - - - - 21,624-36
The warehousing system is of course the principal point of contact with the Excise 21,637-9 21,702
The further transfer of warehouses to the Inland Revenue was stopped in 1884 - - 21,640, 21,742-5

Mr. MURRAY and Mr. PROWSE—*cont.*

At that date the Inland Revenue intimated they could manage the warehouses at nine ports for 6,650*l.*, and the Customs subsequently reduced the cost to 5,771*l.* - 21,641
This reduction was effected by economies being effected which, had the ports been properly looked after, might have been effected sooner - - - - - 21,642–7
Thinks the ground for retrenchment in other ports is small now, but there may be still some ground - - - 21,646–9, 21,723–4
Thinks it might be better if all the warehouses at the ports were under the Customs, and those inland under the Inland Revenue 21,650–1, 21,654–6, 21,664, 21,668–9
But sees no necessity for making the change 21,665–7
There are only a few ports at which there are duplicate warehouses - - - - 21,652–3
There are some ports where there are only Inland Revenue warehouses - - 21,657–63
Has never received complaints from traders because they have to deal with two departments - - - - - 21,670
Mode in which export of beer is managed - 21,671–94
If there was amalgamation, the exporter would have to take the same number of steps as at present - - 21,680–1, 21,690–4
Total number of men employed upon waterguard is 1,400, and their duties - 21,695, 21,697
Upon landing and export duties 1,250, and their duties - - - - - 21,696, 21,698
The work of these 2,650 men would be in no way affected by amalgamation - - 21,699–700
1,200 men employed in warehouses - - 21,701–2
Questions which come before the Board in connexion with warehouses - - 21,703–4
The plan of a Joint Committee from Customs and Inland Revenue to decide on such questions would be workable - 21,705, 21,707–9, 21,719–20
Mode in which the privilege of a new bonded warehouse is granted - - - 21,710–1
Each department have their own locks on their own warehouses - - - - 21,712–5
Differences of opinion between Customs and Inland Revenue in interpreting the warehouse Code have very rarely arisen - 21,716–8
Mode of dealing with deficiencies - - 21,721–2
The amounts collected in Customs warehouses in year ending 31st March 1887 was 21,370,948*l.* - - - - 21,723
The estimated cost of collection was 168,995*l.* or 15*s.* 9*d.* per cent. - - 21,723, 21,765–6
In the following year the amount collected was 21,020,270*l.* - - - 21,723
And the cost of collection was 16*s.* 1*d.* - 21,723
Believes that Customs management is economical - - - - - 21,725
A common system of warehouse accounts was adopted in 1882 - - - 21,726
Some of the ledgers then introduced are unnecessary - - - - - 21,726–8
Does not believe that the rivalry between the two departments leads to the trade being accommodated at the expense of the Revenue - - - - - 21,730–2
Does not think that Customs officers employed at Victoria and other stations could be employed on Inland Revenue work - 21,733, 21,785–93
Amalgamation is possible but not desirable - 21,736
Each department should help the other where the officers do common work - - 21,737–8
How far they can do so must be settled by local inquiry - - - - 21,739
They now collect in the warehouses revenue for each other without difficulty - - 21,740–1
Believes that in 1880, 700,000*l.* or 800,000*l.* was offered for the Custom House - 21,746
If the Custom House was sold, Customs staff might be located on Tower Hill, but doubts whether the site is large enough - 21,747–54
And considerable expense would be incurred in alterations and additions - - 21,751–4
Considerable reductions have been made on the cost of the Customs establishment - 21,755–6
Hands in return showing the expenditure on the effective service in each year from 1880–1 to 1887–8 - - 21,757, 21,760, 21,794–6
In this period there has been a reduction of 111,180*l.* a year - - - - - 21,757–8
The charge for superannuation is not included, as it was abnormal - - - 21,761–4
Thinks that this reduction will continue - 21,759–60
A large amount of duty done by the Customs which is not expressed by revenue - - 21,767–9
Work, other than statistical, done by the Customs for the Board of Trade and Home Office - - - - - - 21,797–803

Mr. GLADSTONE.

For some years his view of the question of amalgamation of the Inland Revenue and Customs has been rather a remote one - 21,440
The question has now come to a state of ripeness - - - - - - 21,440
Thinks that in 1862, when he expressed an opinion against amalgamation, the question was not ripe - - - - - 21,441
At that time the amalgamation of Stamps, Taxes, and Excise, was not really complete - - - - - - 21,441
But believes that now the amalgamation is a real one - - - - - - 21,441
Forty-seven or forty-eight years ago the Customs was marked out for separate action - - - - - 21,441
It was then working mainly on the water - 21,441
Now the functions of the Customs are reduced to great simplicity, and are chiefly inland functions - - - - - 21,441
At that time the Customs had establishments all over the world - - - 21,441
Believes all this has been entirely changed - 21,441, 21,455–7
Consequently, the presumptive argument in favour of the separation of the two Departments has not the same force - - 21,441
The collection of the Revenue should be as much unified as possible - - - 21,442
Thinks the Chancellor of the Exchequer derives no advantage from having the Chairmen of two great Boards to consult - 21,443
There has been a difference in the tradition of the two Boards - - - - 21,443
The tradition of the Board of Customs has not quite come up to that of Somerset House - - - 21,443, 21,458, 21,463
They have not shown the same forward spirit in grappling with the exigencies of the time - - - - - 21,443, 21,463
Although the spirit of administration, as regards discipline and economy, has been exactly the same - - - 21,458–9, 21,462
Quotes two cases illustrating his meaning - 21,443
First, the change from the Malt duty to the Beer duty in 1880 - - - - 21,443
This was a most anxious and dangerous fiscal question to encounter - - - 21,443
But it was desired, promoted, and advised by the Board of Inland Revenue - - 21,443
Second, the change of the Wine duties in 1860 - - - - - - 21,443
This had been long an unsolved problem - 21,443
The suggestion of the alcoholic test adopted in 1860 came from a private firm - - 21,443
The Customs were full of doubts and misgiving as to the change - - - 21,443
If it had failed, the position of the Chancellor of the Exchequer would have been a very weak one - - - - 21,443
When he compares questions like these, he does not attach much value to the dual channel of advice - - - - - 21,445
From the Board of Inland Revenue he always received the best advice - - 21,443
Thinks the Chancellor of the Exchequer is now well provided with financial advisers 21,443
Thinks it would be a great calamity if the appointment of Chairman of the amalgamated Boards became a post that was given as a reward for political services - 21,444
This Commission might do much towards reducing the risk of this by pointing out the danger - - - - - 21,444

Summary of Evidence.

Mr. GLADSTONE—*cont.*

Does not think that now the work of the two Departments would be too much for one man to perform - - - - - 21,445–6
Thinks that the highest efficiency would probably be obtained by a combination of the two Departments - - 21,446, 21,454
And also that considerable economy would result - - - - - 21,446, 21,454
Believes that the change would be popular - 21,447
At Somerset House the immediate heads are still confined to the separate work of Stamps, Taxes, and Excise - - 21,448
As a general rule, would not be in favour of a Board, but of individual responsibility - 21,449
Nor is he aware of anything in the nature of the duties of the Revenue departments which would lead him to suppose that a Board is good - - - 21,449, 21,451
There is a certain official convenience in the impersonal character of a Board - - 21,450
But the public are a little jealous of being put off by an impersonal agency - - 21,451
Does not attach much value to the "impersonal" argument - - - 21,452
Sees nothing in the subdivisions of duty, *e.g.*, the work connected with ships, that seems an adequate reason for dividing the highest responsibility - - - - 21,460–1
Does not think that the tradition of the Customs to which he has alluded would continue after amalgamation - - 21,464
If amalgamation took place, would hope to see the Inland Revenue the dominant element - - - - - 21,465
Even had he not observed the difference in the practice and tradition of the two departments, he would not see any serious force in the arguments against amalgamation - - - - - 21,466

Mr. WILLIAMS.

A surveyor of Customs in the Port of London 21,805–6, 21,825
Was originally a clerk - - 21,807–8, 21,824
At that time the clerical and out-door services were distinct - - - - 21,809–14
Now the clerical work is done by officers of the out-door department - - - 21,815–9
But the lines of promotion are still distinct - 21,820
The grade of service begins at the second class out-door officer - - - - 21,821–2
And he can rise by promotion to be an inspector - - - - - 21,823
Nature of the work of the surveyors - - 21,826–7
There are 54 surveyors in the Port of London 21,828
A ship coming to the Thames is boarded at Gravesend by out-door officers who take charge of her - - - - - 21,829–31
When she comes to the quay side the examining officer examines, in the first instance, the free goods for the detection of dutiable articles, &c. - - - 21,831–4
There is a laboratory at every considerable port - - - - - 21,835–6
The examining officer also examines for prohibited articles - - - - 21,837–40
All this requires considerable experience - 21,841
He also has to examine for explosives - 21,841
The surveyor is responsible for the attendance and discipline of the officers, and for the proper distribution of work - 21,842–3, 21845, 28,854–8.
In small ports the collector is the surveyor - 21,844
If anything goes wrong it is reported direct to the Board through the inspector - - 21,846–53
All taring is done by the surveyor alone, who, in case of difficulty, refers to the inspector - - - - 21,858, 21,865–6
Description of taring - - - - - 21,859–64
The tare is taken in the warehouse - - 21,867–8
The warrant issued by the dock authorities is based on the Customs Account - - 21,869–71
Witness's time is chiefly occupied in connexion with free goods - - - - 21,872–4
But all surveyors might at any time be employed in warehouses - - 21,872, 21,875–6
Their training is based on experience - - 21,877–8
Duties of the jerquers who audit the report of a ship - - - - - 21,880–96
Responsible duties thrown upon the Customs by the Merchandise Marks Act - - 21,897–910
Duties in connexion with export goods - 21,911–31
Spirits and beer are gauged to ascertain the quantity for payment of drawback - 21,914–5, 21,918–28
The gauging done by the Customs is extremely difficult, as the quantity has to be arrived at by dealing with the outside of the casks only - - - 21,929–30, 21,989–90
Mode in which the Customs gauge - 21,992–22,004
Is not aware that Inland Revenue does any gauging - - - - - - 21,982
Except gauging for ullage, which is easily arrived at, as the capacity of the cask can be arrived at when empty - - 21,984–8, 21,991
Mode in which Customs duties are performed at the out-ports - - - - - 21,932–7
There are Excise officers alongside the work of the Customs in the Port of London - 21,938
Their work is entirely warehouse work - 21,939–40, 21,950
In London the Customs officers are pretty well employed all day - - - 21,941–9
Although in one sense the duty is intermittent, if they are waiting for work - - 21,945–9
Any Customs officer could undertake the Excise duties of a warehouse - 21,951, 21,954–5, 21,961–72
But an Excise officer could not gauge for the Customs without experience - - 21,952, 22,003–4
Nor could he rummage - - - - - 21,953
An Excise officer might at times during the day be unemployed in a warehouse - 21,956–7
In some places there would be economy if Customs officers took over the Excise warehouses - - - - 21,958, 21,973–81
As there are gaps of time in the work of each, that could be utilised - - - - 21,959–60
The Customs officer has to do work in the laboratories - - - - - 22,004–5
And requires to be a very experienced man - 22,006
The out-door officer can now rise to the higher positions - - - - 22,007–9
The surveyor has a right to re-rummage - 22,010
He generally re-rummages two or three times a week - - - - - 22,011–3

Mr. FLEMING.

A surveyor of Customs in the Port of London 22,014–5
Entered as a clerk - - - - 22,016
Became a surveyor in 1882 - - - 22,017–8
Has not had experience as an actual examining officer - - - 22,019, 22,023
But has checked and superintended their work - - - - 22,019–20, 22,023
In the old times a clerk did what is now called examining officers' work - - 22,021–2
His work is principally in connexion with warehouses - - - - 22,024
The regulations for the Customs and Inland Revenue warehouses are identical - - 22,025–8
But practically a trader accustomed to one kind of warehouse does not transfer his goods to another merely because the regulations permit him to do so - 22,028–30, 22,053
The Customs have a large class of goods that do not go to the Inland Revenue, and *vice versâ* - - - - - - 22,031
Customs men and Excise men could equally well deal with various goods in the warehouses coming to both departments - 22,032
In London the Customs business in the warehouses is far in excess of the Excise business, but in inland places the case is reversed - - - - - 22,034

Mr. FLEMING—*cont.*

Does not think that in London a sensible economy would be effected by handing over all the warehouses to the Customs - 22,035, 22,048

Because every warehouse is now worked at the lowest possible rate - - - 22,036–9

In the country there are places where there is not much work for either department - 22,037

Believes that the average salaries within the warehouses are much the same for both departments - - - 22,040–44, 22,047

Candidates prefer going into the Inland Revenue because they begin with better pay - - - - - - 22,045–6

Has received no complaints from traders that the Customs system, is more inconvenient than the Inland Revenue - - - - 22,051

Believes that the convenience of traders is consulted equally at both - - - 22,052

Thinks that there is no rivalry between the two departments which acts prejudicially to the Revenue - - - - - 22,054–9

Customs officers would prefer to remain as they are and not to amalgamate - - 22,060–1

Does not see that any advantage would result from amalgamation - - - - 22,062

And as regards the public, the business would be done on precisely the same lines as now - - - - - - 22,062–6

Believes that beer or spirits exported usually go through a Customs warehouse, but that there is no reason why they should not go through an Inland Revenue warehouse if the traders wished - - - 22,067–71

The Inland Revenue gauging is simple because they can weigh the empty cask - - - 22,072–3, 22,073–7, 22,079

Whereas the Customs have to ascertain the contents of a full cask by complicated rules - - - - - 22,073–5, 22,078

The decision of the Customs as to the tare of tea, &c. is accepted by the merchants, dealers, &c. - - - - - 22,080–3

The trade are perfectly satisfied with the way in which this work is done - - 22,084–5

In very rare cases there have been complaints - - - - - - 22,086

Mode in which tea is passed from a bonded warehouse in London to one in Birmingham, or elsewhere - - - - - 22,087

If sent to an Excise warehouse in London it would be dealt with in the same way as in a Customs warehouse - - - 22,089

An ordinary intelligent man with experience can do all the warehouse work - - 22,090–1

The Inland Revenue officers would have no difficulty in dealing with tea as soon as they had learned the work - - 22,092

The regulations for the management of warehouses are identical - - - 22,093

Mr. HINKS.

One of the Inspectors of the Customs at the Port of London - - 22,094–5, 22,099

Superintends the waterguard duties of the Port - - - - - - 22,096

Was an inspector of the waterguard on the Tyne - - - - - - 22,097–8

The waterguard work commences at the limits of the Port - - - - 22,100

The boarding station for the Thames is at Gravesend - - - - - 22,101

The waterguard are composed of watermen and out-door officers - - - 22,102–3

About 170 out-door officers at Gravesend, who guard the vessels between that place and the Docks - - - - - - 22,104–7

The duty of the waterguard consists in the protection of the Revenue in the case of some 10,500 vessels from foreign ports arriving in the Thames annually - 22,108–14

They also have duties connected with explosives, quarantine, cattle, and dangerous oils - - - - - - 22,108

All the free goods are also discharged under witness's supervision - - - 22,113

The other inspectors have nothing to do with the waterguard - - - - 22,115–6

The watermen are appointed on nomination by the Treasury - - - - 22,117

Is quite satisfied with the sort of men appointed - - - - - 22,118–23

It might be preferable if they had some idea of water and boats before being appointed 22,122

They have to pass a physical test - - 22,124

They are promoted to be examining officers 22,126–9

But they do not become out-door officers - 22,125, 22,128

Is acquainted with the work at many ports - 22,130–1

In many places the officers are not fully employed and might do some Inland Revenue work - - - - - 22,132–3

The rummaging of large vessels is very difficult - - - - - 22,135

The majority of out-door officers are young Irishmen, fresh from school - - 22,136–7

They do not rummage - - - - 22,139

All rummaging is done by Boat men - 22,140

There is a staff set aside for re-rummaging - 22,142–3

Witness lives at Gravesend - - 22,144, 22,152

Statement of his daily duties - - 22,145–51

All ordinary prosecutions are initiated by the examing officers - - - 22,148–50

And is reported to witness through the surveyor - - - - - 22,151

Does not come in contact with Inland Revenue officers in his work - - 22,153

Concludes that amalgamation would not affect him in any way - - - 22,154

Has nothing to do with warehousing - 22,155

Sir REGINALD WELBY.

The question of the amalgamation of the Customs and Inland Revenue has never been discussed by the departmental Treasury - - - - - - 22,156

But, of course, the subject has for many years been in men's minds - - - 22,156

The Warehousing Committee was appointed to assimilate Customs and Inland Revenue practice - - - - - - 22,157

There is now absolute unity as regards the warehousing regulations - - 22,158, 22,215

Believes that the interpretation of the regulations by the two Departments has not led to any very serious divergence - - 22,159–60

Is not aware that the Treasury has authorised the regulations being interpreted in different ways by the two departments - 22,161

The Treasury wish every effort to be made to secure uniformity - - - - - 22,162

Duplicate warehouses have been reduced, and other economies effected - 22,163, 22,167–8

There is a proposal by the Customs to take over certain warehouses in London, Dublin, and Cork, now before the Treasury - 22,164–6

During the last few years there has been in both departments almost an emulation in economy - - - - - - 22,169–70

Over a long period of years, the Inland Revenue has, perhaps, been the most successful in securing economy and efficiency 22,169, 22,201.

An incidental advantage of having two departments is that the Chancellor of the Exchequer and the Treasury can check the views of one department by the opinion of the other - - - - - 22,171–6, 22,260

But would not put this forward as an argument against a well considered scheme of amalgamation by which economy and efficiency would be promoted - - 22,173–4

To substantiate the desirability of amalgamation it would be necessary to show that considerable economy would result - 22,177, 22,182, 22,202, 22,210–1.

Summary of Evidence.

Sir REGINALD WELBY—*cont.*

A great deal turns upon what is meant by amalgamation - - - - 22,178
Within the last 10 or 15 years the amalgamation of Excise, Stamps, and Taxes was more nominal than real - - - 22,178, 22,180
And there are still Heads responsible for the various branches - - - - 22,179
The Board dealing in common with all cases 22,180
Believes that now the amalgamation has gone much further - - - - 22,180
Would be opposed to amalgamating the two Boards and leaving them to effect economies which are only shadowed forth - 22,181
Because in such an important matter, very little ought to be taken on trust - 22,182
Quite understands the difficulty of putting forward a detailed scheme of amalgamation beforehand - - - 22,196
But feels quite clear that this ought to be done - - - - - - 22,196–7
The amalgamation of the two departments would increase the force that can exercise parliamentary pressure - - - 22,198
There have in the past been serious agitations in the Post Office and in the Excise 22,199–200
It is easier to deal with such agitations with distinct departments than with one amalgamated department - - - - 22,255
Inclined to think that if amalgamation took place it would tend to improvement in the collection of the Revenue - - 22,201
Does not like to see the few experts able to advise the Chancellor of the Exchequer reduced in numbers - 22,202–4, 22,208–9, 22,212, 22,236–8.
At present he has only for consultation in matters of taxation the two chairmen of Inland Revenue and Customs - 22,202–8, 22,213
Though, of course, the technical officers are constantly called in - - - 22,203, 22,209
The Chancellor of the Exchequer has often not made finance a special study - 22,203
And it is most important that he should have at hand thoroughly competent experts 22,203, 22,208–9, 22,256–9.
Would not put the Heads of Branches, however able, on the same footing for utility as advisers, as the chairmen of the Boards 22,205–7
Observes that the Customs estimate the possible saving by amalgamation at 11,000*l.* 22,184
The Treasury would require before approving of such a great administrative change, which only started with a saving of 11,000*l.*, a detailed scheme to be laid before them - 22,184, 22,188, 22,192–3, 22,196.
As such a saving might in practice be reduced to nothing at all - - 22,184, 22,188
For instance, in 1834 the amalgamation of Stamps and Taxes produced an immediate saving of 18,000*l.* a year - - 22,182
The two branches cost before amalgamation 123,000*l.*, and afterwards 105,000*l.*, but 13 or 14 years later the cost had risen to 147,000*l.* - - - - 22,183–4
Believes that the Customs contemplate the reduction of one commissioner - - 22,185–6
In an amalgamation of this kind the result is very often to level up salaries - 22,187–8, 22,195
From the statistics it appears that the salary of the Excise out-door officers averages 149*l.* per year, and of the Customs out-door officers 123*l.* - - - - 22,188
Supposing these were levelled up this would cost 36,000*l.* - - - 22,188–90
This is *primâ facie* criticism, and very possibly the Excise out-door men do more important work - - - 22,188, 22,190–4
If the Government were in a position to consider the matter afresh, would advocate the division of Customs and Excise for one department, and Stamps and Taxes for another - - - - - - 22,214
The Solicitors' departments might, perhaps, be consolidated - - - - 22,216–7
Also the Accounts departments - - 22,218
Also the Statistical departments - - 22,219–22
Always assuming that such consolidations would show a sufficient saving - 22,218, 22,222
The Inland Revenue does very little statistical work - - - 22,219–21, 22,245–6, 22,252
Amalgamation is not the necessary remedy for divergence of opinion; that ought to be gained by conference between the two Boards - - - - - - 22,223
The Boards do not, as a rule, meet now, though the Treasury might request them to do so - - - - - 22,226–9
If amalgamation were carried out, the chairman would be almost too big for a civil servant - - - - - 22,224
Anticipates a desire in that case to place an independent minister at the head - - 22,224
This would be out of the question, as it would displace the Chancellor of the Exchequer from being Finance Minister - 22,224
If amalgamation were effected, would like the Head to be associated with the Financial Secretary to the Treasury - - - 22,224
If the two departments are retained, but certain of the sub-departments are consolidated, the Financial Secretary might preside at joint meetings of the Boards - 22,224–5
There are two advantages in management by a Board - - - - - 22,230
First, members of the Board can do good service in inspecting country establishments - - - - - - 22,230, 22,240
Second, a decision by a Board is more readily accepted by the public than a decision by a single person - - - - - 22,230–1
Although the chairman has the real power - 22,232
It would probably be sufficient if the two chairmen called themselves the Board - 22,234
Fears that if the two departments were amalgamated, the chairman would have his time taken up by purely administrative work - - - - - - 22,239, 22,241–3
Believes that there is ample work for the members of the two Boards - - 22,240
If the Boards are retained, doubts the advantage of reducing the numbers - - 22,240
Thinks that, as a rule, the competition between the two departments as regards warehousing, &c. is rather wholesome than otherwise - - - - - - 22,244
But would not put this forward as an argument against a good scheme of amalgamation - - - - - - 22,244
Is not in favour of the statistics collected by the Customs being sent up to the Board of Trade to be digested and dealt with there - 22,247–51
No complaints from the Trade have come before him which could only be met by amalgamation of Inland Revenue and Customs - - - - - - 22,253–4
One argument against amalgamation might be that the post of chairman would be so large that it might be made one for the exercise of political patronage - - 22,261–3
The fittest man should be selected for it, whether a civil servant or not - - 22,261–4
Has felt bound to put before the Commission a critical view of amalgamations - - 22,265
But is far from saying that an economical and efficient scheme may not be devised which would overcome the objections - 22,265

Sir WILLIAM MELVILL.

Solicitor of the Inland Revenue - - 22,266
Advantages which have resulted from past amalgamations - - - - - 22,270–1
The reduction of the dog duty in 1867 was facilitated by the transference of such taxes to the Excise - - - - - - 22,272
The carrying out of the Budget Schemes rests with the legal departments - - 22,273
And if you have intercommunication between two legal departments it is difficult to get the resolutions drawn in time - - 22,273–4
Has one assistant solicitor - - 22,275
And four chief clerks - - - 22,276
He has a large staff and a large amount of work - - - - - - 22,279–80

Sir WILLIAM MELVILL—*cont.*

If he undertook the Customs legal work does not think that he would require any increase of staff - - - - - 22,277–8, 22,281–3, 22,300–7, 22,330–6, 22,344, 22,376–8

But it would probably be necessary, in the first instance, that one of the Customs solicitor's staff should be attached to the Inland Revenue - - - - - - 22,283

Does not think there is much Customs law work in relation to Customs - - - 22,300

The work under the Merchandise Marks Act has nothing to do with duties, and is very likely ephemeral - - - - - - 22,301–3

To give advice on Customs law requires minute acquaintance with the Customs Consolidation Act - - - - - - 22,304

In some instances gives a joint opinion with the Customs solicitor - - - - 22,284–5

If there was only one legal department, the Head would probably take a larger view in the first instance - - - - 22,286–7

The Chancellor of the Exchequer looks upon the Inland Revenue solicitor as responsible for the annual Customs and Inland Revenue Bill - - - - 22,288–9

He prepares the resolutions with the exception of the tea resolution - - - 22,289–90

The Customs resolutions pass through the hands of the Inland Revenue solicitor - 22,291

Thinks that the amalgamation of the two solicitors' departments would be much to the advantage of the Chancellor of the Exchequer and of the Revenue - 22,293, 22,322

Excise gives more work to his department than stamps - - - - - 22,294

There has been a great increase in Excise prosecutions since 1875 - - - 22,295–6

Stamps give a considerable amount of work of a different character - - 22,297–9

Thinks that the fact of having two legal departments leads to evasion of duties properly payable - - - - - 22,308–9

Gives instances in which this has been the case - - - - - - 22,310–1

The Board of Inland Revenue can deal in some cases with Customs as well as Excise penalties, but there is no similar power for the Customs to deal with Excise penalties - - - - - - 22,311

This could be remedied without amalgamation - - - - - - 22,312–3

Both Boards should have the same powers - 22,315

Would consider it his duty to report to the Treasury any alteration desirable in the law affecting the Inland Revenue, but would not do so as regards the Customs - 22,314–20

Thinks that if there was one solicitor's office for the two departments all the disadvantages he has pointed out would be rectified - - - - - 22,321

The total of the salaries of his London office is about three times greater than that of the Customs - - - 22,323–5, 22,349

And the work is tenfold - - - 22,326–9

The work is not of a routine character - 22,328

Has already asked for an increase of staff to the extent of four men - - - 22,337–9

There will be ample work for them to do, even if the Customs work is not added - 22,340

The great difficulty is the number of clerks absent prosecuting, but except in London there would not be much Customs prosecutions - - - - - 22,341

In London the same clerks would conduct Revenue and Customs prosecutions, which latter witness believes are few in number 22,343–8

Thinks that the solicitors at Dublin and Edinburgh should be under the solicitor at Somerset House - - - - - 22,350–3

Thinks the solicitors' offices of the Inland Revenue and Customs could be amalgamated even if the rest of the departments remained separate, but that it would not be convenient - - - - 22,352–60

It would be inconvenient if the solicitor was in a different building to the secretaries and others who consult him - - 22,355–60

Witness is a barrister - - - 22,363, 22,365

His assistant was a solicitor originally - 2266–8

The Dublin solicitor is a barrister - 22,364, 22,371

The Edinburgh solicitor is a solicitor - 22,369–70

The solicitor and assistant solicitor to the Customs are barristers - - - 22,372–3

The Customs solicitors have agents at Edinburgh and Glasgow, paid by bills - 22,374–5

If the two solicitors' offices were amalgamated, thinks that the present organisation of his department would be suitable for the united work - - - - 22,379

Does not think that the fact of his being some distance from Thames Street would affect the case materially, but cannot say for certain - - - - - - 22,380–1

There might be cases where it would be more desirable to have the solicitor on the spot - - - - - - 22,385–6

Receives questions on legal points by telegram, which he is obliged to answer to the best of his ability - - - 22,382–4

All his establishment is located at Somerset House - - - - - - 22,387

Would deprecate detaching one or more of his clerks to Thames Street - - 22,388–9

Reason for the difference of duty on imported and home-made playing-cards - - 22,390–2

Does not think that the duties of the solicitor of the amalgamated departments would be too numerous and difficult for one man to be able to advise upon them - - - 22,393

Mr. CHILDERS.

Was Secretary to the Treasury in 1865–6, and Chancellor of the Exchequer in 1883–5 - - - - - - - 22,394

During the latter period gave his best attention to the question of the amalgamation of the Customs and Inland Revenue - 22,394

By that time the Excise, Stamps, and Taxes had been really amalgamated - - 22,395

The work of the Customs had been immensely simplified - - - 22,395

The amalgamation of the warehouses had also much advanced - - - 22,395

He therefore came to the conclusion that amalgamation could be effectively carried out - - - - - - 22,395

There were, however, two difficulties in the way at that particular time - - 22,395–7

First, the internal condition of the Inland Revenue Department - - - 22,395–7

Second, the consolidation of the warehouses had hardly advanced sufficiently - - 22,395–7

Believes that these difficulties have now been removed - - - - - 22,398

There should be one controlling authority - 22,400, 22,426–7

The adoption of one classification and scale of salaries would have to be done gradually - - - - 22,401, 22,485–7

There may be some difficulty in meeting claims for levelling up salaries, but this would not be insurmountable - - 22,402

A scheme should first be laid before the Treasury showing that a real economy would result - - - 22,403–4, 22,500–4

For this purpose it would probably be best to appoint a committee representing the two departments and the Treasury - 22,502–5

In 1885–6 had a scheme before him carried sufficiently far to give a *primâ facie* strong view that it could be carried out - - 22,447

And saw his way to doing so after a year or two - - - - - - 22,447

Was quite satisfied that there would be a considerable saving - - - 22,448

Dislikes administration by Boards - - 22,405

But at first it would probably be best to continue the system - - - 22,405

Does not think that making one head in the sole Revenue Department would be creating too large a place for a Civil Servant - 22,406–8

Summary of Evidence.

MR. CHILDERS—*cont.*

Thinks the Chancellor of the Exchequer would be better advised by one head of the amalgamated departments, than by two, as at present - - - 22,409, 22,434–8
But, of course, he would always bring into consultation other practical officers of the department - - - 22,435–6, 22,491–4
There might possibly be advantage in having advice for Stamps and Taxes and advice for Excise, but sees no advantage in two separate advisers for Excise and Customs 22,437–8
There must be heads of the various branches of work, under the supreme authority - 22,410–1, 22,426
Was Commissioner of Customs at Victoria - 22,412
The Revenue and Customs departments there are now under one head - - 22,413
Believes that the clerical staff of the Civil Service in France and Italy is much larger than in this country - - - 22,414–6
Thinks that the amalgamation of the Inland Revenue and Customs would result in considerable economy - - 22,417–9, 22,481
But the amalgamation in itself would be good, apart from the economy - - - 22,419–20
Feels confident that the traders were in favour of the amalgamation of the warehousing system - - - 22,421–2, 22,431
Thinks that the Customs should be brought into the Inland Revenue - - 22,399, 22,444
This could be easily done - - - 22,423–7
Of course the business in connexion with ships would have to be done by men trained for the work - - - 22,424
There would be no difficulty in bringing the warehousing duties together - 22,425, 22,449–55
Amalgamation between the Excise and Customs would be more easy and natural than that between the Excise and Stamps, which has already taken place - - 22,427–8
If we were beginning *de novo*, thinks no one would dream of having separate departments for Excise and Customs - - 22,429
Believes that merchants would much prefer one supervision for the warehouses - 22,430–1
But does not know that the present system involves any grievance - - - 22,430
Sees no advantage in placing the warehouses in the ports under the Customs, and those inland under the Inland Revenue - 22,498–9
Is under the impression that the Exchequer would gain by amalgamation - - 22,432
Thinks that the Treasury can deal better with one department than with two in the event of an agitation for levelling up salaries - - - - 22,433, 22,482–4
Amalgamation would affect Stamps and Taxes very slightly - - - 22,439
The main saving would be in the amalgamation of the Customs and Excise - 22,440, 22,472
Does not know what is the cost of the Excise Department of the Inland Revenue - 22,441–3
Believes that the Excise Department of the Inland Revenue is worked more economically than the Customs - - - 22,445
Thinks that without complete amalgamation of the two departments the warehouses might be brought under one control - 22,449–55
But beyond this it would be very difficult to amalgamate, short of the amalgamation of the two departments - - - 22,453
Dreads any great change of this kind unless the results are forecast as far as they can be - - - - - 22,456
The distinction of the duties of Excise and Customs officers are not greater than would exist in the branches of any great department - - - - 22,457–8
Customs officers in small ports might readily do some Inland Revenue work - 22,458, 22,471–3
A considerable number of warehouses might be reduced - - - 22,459–62, 22,467–8
The interests of the owners would have to be carefully dealt with - - - 22,463–4
Does not believe that the merchants would raise much opposition - - - 22,465–6
Thinks that with an amalgamated service the number of local officers might be reduced - - - - 22,469–71
Would be in favour of only one Secretariat, one Solicitor's Department, one Laboratory, and one Accounts Branch - - 22,474–8
It would be difficult to have only one Solicitor's office if the whole departments were not amalgamated - - - 22,479–80
There is at the Customs a lower class of officers with lower salaries than at the Inland Revenue - - - 22,488–90
Does not think the competition between the two departments is any advantage to the Revenue - - - - - 22,495–7
Believes that the previous amalgamations at Somerset House effected a genuine economy - - - - - 22,506

SIR ALFRED SLADE.

Receiver-General of Inland Revenue - 22,508
Nature of the work of his office, much of which is of a confidential character - 22,509–27, 22,629–41
His office both receives and pays money 22,510
The Receiver-General of Customs did not make the confidential and miscellaneous payments the Inland Revenue does - 22,511
Part of the work that used to be done by the Receiver-General of Customs is now done by a collector, and part by a cashier - 22,699–700
Receives special payments of income tax, &c., which is of a confidential nature - 22,512–20, 22,629–41
Receives also dividends on foreign loans which is not of a confidential nature 22,520, 22,642–4
His pay clerk pays about 250,000*l.* a year in salaries and pensions - - - 22,520–1
The Accountant-General pays nothing - 22,532–5
Receiver-General's office makes payments to the amount of about 1,500,000*l.* a year - 22,525
Is under security to the Crown for 24,000*l.* - 22,526, 22,530
Pays nothing without an order signed by two Commissioners - - - 22,527–9, 22,657–9
Thinks that all his cashiers ought to find security, in the same way as they have to in private banks - - 22,531–4, 22,540, 22,542–4
Considers it is an open question whether he is liable for the cashiers, or whether the State is - - - 22,534, 22,544
If a cashier's accounts are short any day he has to pay the amount to the Receiver-General - - - - 22,535–9
Has four Upper Division and nine Lower Division clerks in his office - - 22,545–7
Proposals have been made to turn his office into a Chief Collector's office - 22,541, 22,548–9
Has never seen any proposal to amalgamate his department with the Accountants - 22,698
The Board of Inland Revenue appoint collectors and clerks, the Treasury appoints the Receiver-General - - 22,550, 22,751–2
Is practically a higher kind of Collector - 22,551–2
Suggested in 1877 that the Collector in Somerset House should be abolished, without effect - - - 22,552, 22,555
But he has now been abolished, and witness has taken over part of his work - 22,553, 22,556
No reason why he should not take over the work of the five other metropolitan collectors - - 22,553–4, 22,557, 22.569, 22,592–3
Made this proposal in 1877 and 1887 - - 22,615
Thinks that this would save some thousands annually - - - - - 22,600–1
The necessary increase to his staff would be made by transfers from the Collectors abolished - - - 22,602–6, 22,656
Places where these five Collectors are placed 22,575, 22,580
They were originally placed there for public convenience - - - 22,576
Now people can pay their taxes by free money orders - 22,576–9, 22,584–5, 22,593–6
Does not think that this is generally known by the public - - - - 22,579, 22,584–5
It is less trouble to pay in this way - - 22,593

SIR ALFRED SLADE—*cont.*

All Excise licenses which do not require "entry" can be paid at a post office - 22,586
The local collector would receive income tax if asked to do so - - - - - 22,587–8
The Collector is both a receiver of Excise and a receiver of Stamps and Taxes - 22,589–91
The Collector does not do out-door work - 22,615
In 1877 a Deputy Receiver-General was appointed - - - - - 22,558–65
Although witness strongly objected to it - 22,561–5, 22,567
The Deputy had been chief clerk in the department, and received an increase of 100*l.* a year - - - - 22,566
The Deputy is appointed by the Treasury - 22,753–5
Although 40 years ago the Excise was amalgamated by Statute with Stamps and Taxes, they are practically two separate establishments with separate offices - 22,569
In every district there is a Supervisor of Excise, who does the out-door work - 22,569, 22,615
There is also the Surveyor of Taxes - - 22,569
The Supervisors and Surveyors are quite separate, although in theory they are members of the same department - - 22,617
Receiver-General takes an enormous number of cheques, for which he sends an interim receipt - - - - - - 22,570–4
As Receiver-General could superintend a much larger establishment than he now has - - - - - 22,597–8, 22,655
The office of Receiver of Fines should be transferred to witness - - - 22,606–14
The discipline of the Collector's office is carried on by the Supervisor of Excise - 22,615
The Collectors have no control over the Surveyor of Taxes - - - - - 22,616
Who receives his instructions direct from Somerset House - - - - - 22,616
The personal communications are between the Supervisor and the public, not between the Collector and the public - 22,618
Since witness has been Receiver-General, his office has decreased from a staff of 20 to 14, and the cost from 6,750*l.* to 3,921*l.* a year - 22,618
Though the total amount passed through his accounts has increased from 43,000,000*l.* to 56,250,000*l.* - - - - - 22,618
And the amount paid over the counter has increased from 7,000,000*l.* to 9,000,000*l.* - 22,618
The number of remittances have increased from 20,239 to 39,000 - - - 22,619
The number of cheques signed have increased from 1,908 to 4,709 - - 22,619
The number of special payments from 3,966 to 9,800 - - - - - - 22,619
The number of country legacy accounts from none to 30,000 - - - - 22,619
But a few small items of work have been taken away from the department - - 22,619
And some clerks have been pensioned, some on abolition terms - - - - 22,620–1
His cashiers are Lower Division clerks - 22,622
Work of his senior clerks - - - 22,623–8
Work of the Deputy Receiver-General - 22,701–20
Witness does not exercise supervision over the receipt of revenue anywhere outside his office - - - - - - 22,645–7
The local collectors send in their weekly or monthly sheets, which are checked by the Accountant - - - - - - 22,649
Manner in which probate duty is paid - 22,650–4
The whole receipt of the Inland Revenue goes through his office or through his account at the Bank of England - - 22,660–7
Out of 56 millions from 45 to 48 millions is paid in to his account at the Bank of England - - - 22,665–7, 22,685–7
If the 9 millions received in his office were like the other 45 or 48 millions paid into the Bank of England, the Bank would charge so highly that it would not be an economical change - - - 28,677–8, 22,729
Mode in which the country collectors remittances are dealt with 22,679–84, 22,687–91, 22,729–50
Nature of the work that would be thrown upon the Bank of England if these remittances were paid direct to the Bank - 22,740–50
Mode in which special assessments of income tax, &c. are paid into this office - - 22,692–7
The majority of the clerks in Somerset House come to his office personally for their pay - 22,668–70
Issues annually about 1,500,000*l.* in repayments of duties and salaries - - 22,671–6
The hours of attendance in his department are seven - - - - - 22,721–8
The senior clerks received 30*l.* additional salary each when the hours were changed from six to seven - - - - 22 726–7
If the Customs and Inland Revenue were amalgamated his department would receive the Customs revenue, which would entail a very small additional staff - 22,756–67
It would probably be necessary to have some local staff at the Port of London also - 22,762–7

DR. BELL.

Principal of the Inland Revenue Laboratory 22,768–9
Staff of the Laboratory - - - - 22,770–6
39,224 samples were analysed in the Central Laboratory last year for the Inland Revenue and other offices - - 22,776–7
And 13,000 at the nine outports - - 22,778
The numbers this year will probably amount to 45,000 and 16,000 respectively - - 22,778
This increase is caused by the limitation of the water in tobacco - - - 22,779
Immediate savings of 1,800*l.* and 2,000*l.* a year respectively resulted from their undertaking the chemical work for the Board of Trade and India Office - - 22,779
The samples analysed for other departments last year amounted to 3,924 - - 22,779
This entails no work on the Board or secretariat - - - - - - 22,779
Infers that if the principle of devolution were applied to the extraneous work now performed by the Customs for other departments, it would entail little or no labour on a consolidated revenue board - - 22,779–82
Much of the work of the Inland Revenue and Customs with respect to tobacco is intertwined - - - - - - 22,782
This seems to show how unsuitable it is to have two managements for dealing with the same dutiable commodities - - 22,782
15,000 samples analysed by the Inland Revenue last year were drawn by Customs officers - - - - - 22,782–4
The Inland Revenue have no authority to interfere or advise in any way as regards sampling of tobacco or snuff for drawback 22,782–4, 22,788
But witness has power to have a sample drawn for analysis in the case of lemon juice for the Board of Trade - - 22,785
Has never represented to the Customs Board that he should have the same facility as to tobacco and snuff - - - - - 22,786–8
If the two departments were amalgamated, improved arrangements in this respect would soon be made - - - 22,788
The Inland Revenue perform fully five-sixths of the labour involved in charging and securing the tobacco duty - - 22,788
One per cent. of adulteration would represent a loss of 80,000*l.* a year to the Revenue - 22,788
The Customs have no real laboratory in London - - - 22,807–8, 22,859, 22,925
The Inland Revenue has the only real Government laboratory which does work for various Government departments - 22,808–10, 22,925–6
The Customs have one or two men who have had some training as analysts - - 22,811–2
At the nine outports there are both Inland Revenue and Customs laboratories - - 22,813–27
If a Customs laboratory officer at Liverpool wanted advice upon a sample, he would send it to his Board in London - - 22,816

Summary of Evidence.

DR. BELL—*cont.*

And would not make any use of the Local Inland Revenue Laboratory - - 22,818
The Inland Revenue keep a standard and the Customs compares theirs with it yearly - 22,828–9
The Inland Revenue and Customs do not know what methods of analysis each make use of - - - - - - 22,830
There are, in consequence, sometimes collisions when appeals are made - - 22,830
Tobacco is the principle article upon which difficulties arise - 22,831–2, 22,834, 22,837–9
Is not aware of any difference occurring in the case of tea - - - - 22,833, 22,835–6
The Customs control the manufactured tobacco imported, amounting to about 300,000 lbs. a year - - - - - 22,788
This, though small in quantity, occasionally produces unpleasant collisions between the two departments, and also causes hardship to the trade - - - - - - 22,788
Instances a case of seizure of coca-tobacco and coca-cigarettes - - - 22,788, 22,903
They were seized upon information received from the trade - - - - - 22,906–12
The trader had been selling them for four months before they were seized - - 22,789
Had there been only one revenue board, the chances are that they would not have been allowed to come in - - - 22,789–97, 22,904
The Customs officers have not the same experience as the Inland Revenue officers - 22,791–6, 22,831, 22,905
Instances in which differences of opinion between the two boards have proved embarrassing to the Government - - - 22,797–801
A consolidated revenue board would lead to an effective administration and large economies would follow - - - 22,801–2, 22,858
The work now done by Customs examining officers would be done by Inland Revenue temporary assistants on much lower salaries - - - 22,803–5, 22,858, 22,865
The salaries of the Customs men might be reduced without amalgamation - - 22,866–7
Mode in which Inland Revenue chemical assistants are appointed - - - 22,840–9
The men so obtained are highly satisfactory - 22,852
The assistants at the Customs are not of the same calibre and have not passed at South Kensington - - - - - - 22,850
If amalgamation took place, the Inland Revenue could not, with their present staff, provide for the Customs work - - 22,860–5
Advocates amalgamation for the advantage of the service generally apart from the question of economy - - - 22,867–9
Distinction between assistants of Excise and analysts in the Inland Revenue laboratory 22,870–6
Witness corresponds direct with other officers without passing through the Board or secretariat - - - - - - 22,877–80
The Inland Revenue work is more technical and chemical than the Customs work - 22,881–4
In case of samples of tobacco and snuff deposited on drawback, the Customs communicate direct with the Inland Revenue laboratory - - - - - - 22,887–99
There is no other communication between the Inland Revenue and Customs laboratories - 22,913
It would be a great advantage if the whole of the chemical work of all kinds were controlled by one head - - - 22,914, 22,930–1
But with two separate departments under two Boards one cannot get rid of rivalries and jealousies - - - - - 22,915
Witness acts for Board of Trade, Home Office, Admiralty, Post Office, India Office, and others - - - - - - 22,916–7
Would have much pleasure in acting for the Customs - - - - - - 22,918
But the Customs prefer to have a place of their own - - - - - - 22,920–3
Believes that there is an unwillingness on the part of the Customs to avail themselves of advice from the Inland Revenue laboratory, but that this would disappear on the union of the two Boards - - - - 29,932

MR. FOLLETT.

Solicitor to the Customs - - - 22,933
Has always thought that the existence of two Revenue Boards was an unbusinesslike arrangement - - - - - 22,935
And this applies also to the two legal departments - - - - - 22,935
There should be one solicitor with responsible men under him dealing with various branches of work 22,937, 22,949, 23,015–6, 23,021–2
This would lead to economy and reduction of staff - - - - - 22,950, 23,013–4
The number of cases coming up for decision would be diminished - - - - 22,951
Is aware that the cost and number of the staff in the Inland Revenue Solicitor's Department greatly exceeds that of the Customs - - - - - 22,952, 23,010
Does not think that the Customs work could be done at first with a diminished staff - 22,950, 22,953
The business of the Inland Revenue Solicitor is divided into Excise and Taxes - - 22,954
On the side of Excise there is great similarity to the Customs work - - 22,955–7, 23,018–9
Has no official experience as to Stamps and Taxes - - - - - - 22,958
If there were a single solicitor he should be located at Somerset House - - - - 22,959–61
Wherever the Board of Customs was located, there would have to be some responsible officer for legal purposes with a staff - 22,962–3, 22,978–80, 29,995
The Merchandize Marks Act has given witness an immense deal of responsible work 22,939
Most of the legal work at the Customs is responsible work, which is dealt with by the solicitor personally - - - - 22,939
Believes that the legal work at the Inland Revenue is more clerical - - - - 22,939
Sometimes attends meetings of the Customs Board - - - - - 22,940–1, 22,976
Nature of the questions that are referred to the Customs Solicitor - - - 22,942–5
Has no offices outside the Head Department 22,946, 22,948
Has agents in different places who charge by bills - - - - - 22,947–8, 22,971–3
These agents would not be dispensed with if amalgamation took place, unless there were local Inland Revenue Solicitors - 22,996–301
Believes that the Inland Revenue Solicitor sends men from his own office to conduct local prosecutions more than the Customs does - - - - - - - 23,001–3
Thinks the Customs system of employing local solicitors answers very well - - 23,002
The Inland Revenue Legal Department extends to England only; the Customs Legal Department to all the three kingdoms - 22,947
Nobody lower than a collector or acting collector can order a Customs prosecution 22,964–6
This can be done without reference to the Solicitor or to the Board - - - - 22,967–8
The collector would conduct the case himself 22,969
If a complicated case the Solicitor would either depute one of the clerks to conduct it or would employ a local solicitor - 22,970–5
Is in constant communication with the secretary and the committee clerks - 22,977
Where differences of opinion between the two legal departments have arisen, they have been with regard to the warehousing, &c. - - - - - - - - 22,981–6
Such differences have been settled by a compromise, and once or twice by a reference to the Attorney-General - 22,987
A record is kept of such cases - - - 22,988–90
Thinks there would be a difficulty in having one solicitor only if the two Boards were not amalgamated - - - - - 22,991–5
Is himself on the Rolls as a solicitor - - 23,004–5
Two of his clerks were trained as solicitors - 23,006–7

MR. FOLLETT—*cont.*

And the assistant solicitor and one clerk are barristers - - - - - - 23,007
Thinks that it is important that such officers should have had some legal training - 23,008–9
And that training as a solicitor in practice is the best - - - - - - 23,009
Believes that the number of questions for original decision coming before him are as numerous as those dealt with at the Inland Revenue - - - - - 23,012
But has no actual knowledge of the work done there - - - - 23,003, 23,011
A great deal of the Customs law is highly technical - - - - - - 23,017–20
Thinks that one Solicitor would be able, with justice to the Board and himself, to advise the United Departments - - 23,021–2

MR. GILBEY.

Is a partner in the firm of W. and A. Gilbey 23,024
Contributed last year to the Revenue 394,000*l.*, of which 16,000*l.* was paid through the Customs - - 23,025–7, 23,029–33, 23,035–8, 323,044
Reckons that they pay about 400,000*l.* a year for wines and spirits, and 300,000*l.* for tobacco - - - - - 23,028, 23,048–9
The Inland Revenue duties would be on British spirits only, which amount to about 82,000*l.* - 23,026, 23,034, 23,039, 23,041
The balance would be Customs duties on imported wines and spirits - - 23,034
The actual payments for wines and spirits are as follows - - - - - 23,040
Customs and Excise duties, paid through Excise, 308,000*l.* - - - - 23,040
Ditto, paid through Customs, 16,000*l.* - 23,040
British spirits, paid through Excise, 70,000*l.* 23,040
About 12,000*l.* is paid for champagne, claret, &c., which are not bonded - - - 23,042–6
His firm does not make British spirit, but merely rectifies it - - - - - 23,047
Has had experience for the last 50 years in the working of the Customs and Inland Revenue Departments - - - - 23,050–3
It is palpable that most of his firm's work is done in duplicate - - - - - 23,054
The Customs land, gauge, and test their goods - - - - - - 23,054–6
Then they are taken into their own bonded warehouse - - - - - 23,057
And the goods are checked by the Excise - 23,058–9
Who get the information from the Customs - 23,060–1
If amalgamation took place the same work would have to be done - - - - 23,062
Some time ago they petitioned to be allowed to land their goods into sealed barges, to go direct to their warehouse without previous examination - - 23,063–71, 23,074
But their petition was not granted - 23,076, 23,079
It would be a great convenience to the trade if the double examination, first at the water-side, and then at the warehouse, was done away with - 23,071–2, 23,083, 23,167–9, 23,172
It occurred to him at the time that the Customs did not wish to lose their authority over the goods, and that if there had been only one department there would have been more inducement to give this facility - - 23,070, 23,080, 23,090, 23,105–9
Within the last five years the desire of both the Customs and Excise has been very great to meet the wishes of traders - 23,077–8
Formerly there was a great deal of red tape, which has now been abolished - - 23,064
Thinks the Government might safely abolish the water-side examination in most cases - 23,081–4, 23,169
An officer would be in charge of the goods from the ship's side to the warehouse - 23,085
If the change was made it might apply to goods above, a certain bulk - - 23,086–89
Believes that if the two departments were amalgamated much time would be saved to the traders - - - - - 23,091–8
If their goods have to go through the Customs it is sometimes a week or more before they get them - - - - 23,091
The communication between the two departments is slow, and consequently injurious to traders - - - - - - 23,096–8
If amalgamation took place the goods would have to be examined all the same - - 23,099
But witness believes that there would be more chance of the water-side examination being abolished if there was only one department concerned - - 22,100–9, 23,163–5
If this were abolished his object would be attained whether there was one department or two - - - 23,105, 23,163–5
There is a good deal of harmonious working between the two departments, but several Acts of Parliament do not give equal powers to Customs and Excise - - 23,111
For instance, the Inland Revenue has no power to deal with the valuation of champagne - - - - - - 23,111–4
This is the fault of the Act of Parliament - 23,113
So that any point in dispute has to be settled by the Customs - - - - - 23,114
Which involves a duplicate process - 23,115
Believes that amalgamation will be of advantage to the Government as well as to the trader - - - - - - 23,116
The tendency everywhere in business is towards centralization - - - 23,116
Traders have to keep a separate Banking Account for Inland Revenue and Customs 23,117–21
The number of bonds they have to enter into is very great - 23,121–7, 23,134–5, 23,170–2
Thinks they will be lessened by amalgamation - - - - - - 23,121
But they could probably be also lessened without amalgamation - - - 23,128
Gives instances of what appears to him to be unnecessary bonds - - - 23,136–48
Their warehouse in Camden Town is their only bonded warehouse except their distillery in Scotland and whiskey bonds in Ireland - - - - - 23,149–50
They are now allowed to export cases wired and sealed with the Customs seal without further examination before they are placed on board - - - - - - 23,151–4
Thinks that having to deal with the Customs for export does not cause any real inconvenience - - - - - - 23,155–6
Considers it is an anomaly to have to deal as regards tobacco with the Customs up to the time the duties are paid, and afterwards with the Inland Revenue - - 23,157–8
But though anomalous the inconvenience is not great - - - - - - 23,157–8
The Customs test tobacco for the initial moisture, but the Excise for the moisture after manufacture - - - - 23,159–62
There have been many improvements in the bonding system in the last five years - 23,166
When the goods get into their bonded warehouse the Customs has nothing to do with them excepting in case of export - 23,149, 23,173–6
Their warehouses are entirely under the Excise - - - - - - 23,175–6
Has been long in favour of amalgamation from the traders' point of view - 23,178, 23,183
Some years ago an important investigation was made at their warehouse by Excise and Customs officers - - - - - 23,178–82
Believes the great bulk of the trade is in favour of amalgamation - - - 23,184–8
But would rather not mention any names - 23,187
They believe that it must be a great waste to have the same duties performed twice over - - - - - - - 23,189
Cannot mention any case in which the same duty is twice performed, other than those he has already alluded to - - 23,192
If spirits are delayed at the Customs there is a great loss by evaporation - - 23,190–1

Summary of Evidence.

MR. GILBEY—*cont.*

All their petitions, with regard to even small matters have to be considered by both Customs and Inland Revenue - - 23,193–7
Finds that greater facilities are given by the Excise than by the Customs - 23,198–201
The system of gauging is different in the two departments - - - 23,202–13
The amalgamation of the departments would not enable any of the gauging to be dispensed with - - - - - 23,209
But thinks that it would facilitate matters to a certain extent - - - 23,209
Believes there is a ready communication between the Customs and Inland Revenue 23,214–6
At one time there was a jealousy, but that does not now exist - - - 23,216
Thinks it would be preferable to deal with the laboratory of one department only - 23,217–20
Has known the officials of the two laboratories take different views of the same case 23,221–3

MR. SEDGWICK.

Secretary to the Association of Wholesale Tea Dealers - - - - 23,225
In 1882 the regulations which referred to the Excise were tried to be applied to the Customs - - - - - 23,227, 23,233
Some officers who had an intimate knowledge of tea were pensioned, and other officers who had experience in wet goods only, were substituted for them - 23,228, 23,233–6, 23,244–6, 23,268–78, 23,386
The experiment has been a very costly one - 23,228, 23,239
The staff was distributed amongst 24 docks, warehouses, &c. where tea is deposited - 23,228–9, 23,232, 23,237–8
And traders had to pay visits to 24 warehouses for the purpose of claiming tea, instead of going to the one central office at the Customs House - - 23,229–31, 23,238–9
But now the Customs are reverting to the old practice, and the work can be done under one roof at the Customs House - 23,228–31, 23,247–50
Up to 1882 all duties connected with tea were in the control of officers accustomed to dry goods - - - - 23,241–3
The duty on tea last year was 4,600,000*l.* - 23,240
The bulk of tea imported comes to London - 23,251–5
Tea imported into London may be sent into a bonded warehouse in the country - - 23,257
Before it is sent off the gross weight and tare is taken - - - - - 23,258–61
When it reaches the country it would probably go into home consumption - - 23,262
The quantity of tea sent under bond now is very small - - - - 23,262–3
Probably five-sixths of the whole duty is collected at the Customs House - - 23,264
Does not come at all into contact with Inland Revenue officers in dealing with tea - - - - 23,266–7, 23,279–85
It would be highly inconvenient to traders if the Customs House was removed far from where it now is - - 23,287, 23,307–10
Traders have to deal with the Accounts and Clerical Departments of the Customs House - - - - - - 23,288
And with the Board - - - - - 23,289
As a rule, they address the Board in petitions - - - - - 23,290
These petitions principally relate to the transfer of tea from one place to another - 23,291, 23,329–38
It is important that these petitions should be dealt with at once, but it is immaterial whether they are dealt with by a Board or by some high officer - - 23,291–301, 23,328–40
The Customs have on occasions allowed their officers to stay over time to suit the convenience of the traders, who have paid for such overtime - - - - - 23,301–5
Has no complaint to make of the Customs officers, who do their work in a highly efficient manner - - - 23,306–7, 23,338
The trade are so satisfied with the way the work is done that they fear they may go farther and fare worse - - 23,319–23, 23,341–2
Would be decidedly opposed to any change in the place for paying the duty - - 23,324
And deprecates any change in the present staff, who have been educated up to the requirements of the tea trade - - 23,325–7
The outport working of tea is so small that it is hardly worth considering - - 23,311–2
Does not think 250,000*l.* out of 4,613,312*l.* duty on tea is collected out of London - 23,313–4
And this 250,000*l.* is spread over England, Ireland, and Scotland - - - 23,315–6

MR. NORTON.

Collector of Inland Revenue at Liverpool - 23,343
Number of staff under him - - - 23,344–7, 23,381–4
The surveyors of taxes are entirely independent of him - - 23,348–50, 23,373
Although the departments of Taxes and Excise are amalgamated - - - 23,351–2
But their offices are side by side with those of the witness - - - 23,374–5
Extent of the Liverpool district - - 23,353
Is not identical with the corresponding district under the Collector of Customs - 23,354–5
The Inland Revenue does not do any special work for the Customs - - - 23,356
But in several instances the two departments are mixed up together - - - 23,356
For instance, British spirits and Beer would be manufactured under the control of the Excise, warehoused with Customs or Excise, and exported through the Customs - - - - - 23,357–8
This must entail a loss of time on the trade - - - - - 23,359–60
Is of opinion that this work would be more conveniently done by one department - 23,361–2
Does not know that any economy would be effected in this particular instance - 33,363
Does not know of any other instance of duplication of work - - - 23,396
Has heard no complaints from traders owing to their having to do business with the two departments - - - - - 23,480–1
Is strongly of opinion that the amalgamation of the departments would be an immense advantage to the public service, would conduce to considerable economy, and would be a great convenience to the public - - - - - 23,364, 23,432
One collector at Liverpool could be reduced, and the clerical staffs consolidated - 23,365–6, 23,482–4
Does not mean that the Customs are not conducting their work economically - 23,367–71
Is not only Collector of Excise, but also controlling officer, and responsible for discipline in the Excise Department - - 23,376–7
So far as Taxes are concerned is merely receiving officer - - - 23,372, 23,378
The Excise have two warehouses at Liverpool; the Customs have more than a hundred - - - - - 23,379–80
The Collector of Customs could not perform the Inland Revenue work with the existing Customs' staff - - - 23,385–6
In the Excise great practical knowledge is required - - - - - 23,386
It really takes a lifetime to learn the various Inland Revenue duties - - 23,386
In event of amalgamation would work in men of both departments; but is not prepared at present moment to say that any great reduction would be made at Liverpool - - - 23,388–94, 23,466
Believes that at Liverpool both Excise and Customs officers are fully employed - 23,395, 23,463–5

Mr. NORTON—*cont.*

Outside the large ports great advantages to be derived from amalgamation - - 23,397
When witness was collector at Swansea he could have done the Customs work as well as his own - - - - - 23,398–407
The "charging" and warehouse work of the Customs seems to be on all fours with Excise work - - 23,378, 23,408–9, 23,411
The work not analogous to Excise work, is inferior in character, and is done by the outside staff in a great measure - 23,409, 23,411
There must always be a water-guard service 23,410
Customs and Excise are much more nearly related to each other than Stamps, Taxes, and Excise - - - - 23,412
Not only could amalgamation take place at the smaller ports, but Inland Revenue collectors in neighbouring towns could be abolished, and duties be placed under the Customs collector at the port - - 23,413–26
For instance, the Canterbury collector could be moved to Folkestone, the Stirling collector to Alloa, and the Bangor collector to Carnarvon - - - 23,413–26, 23,429
The saving at the smaller places would amount to some 12,000*l.* or 14,000*l.* a year - - - - 23,427–8, 23,466
There would certainly be a saving in the controlling positions, and probably it would go down lower - - - - 23,430–2
The clerical work might be amalgamated - 23,433
Is in constant correspondence with the Board - - - - - 23,435–7
But never troubles the Board if he can arrange the matter himself - - 23,438
With proper organisation does not think that amalgamation would lead to a great deal more correspondence with the Board - 23,440–1
As a general rule writes the letters to the Board himself - - - - 23,443–4
Thinks the Excise supervisors and other officers could with training undertake the Customs work as well as their own - 23,445–7
Apart from the water-guard duties upon which they could not be employed - 23,448
Thinks amalgamation would be of advantage to the Revenue in checking smuggling - 23,449
There is much petty smuggling of tobacco which is taken to Inland towns, and if the departments were amalgamated there would be a greater opportunity of watching suspected persons - - - - 23,450–6
In practice the departments do not now communicate with each other in cases of suspicion - - - - - 23,457–60
And doubts whether any Inland Revenue officer would have power to seize smuggled tobacco - - - - 23,461
But an order from headquarters would possibly put that right - - - 23,462
Believes that Excise officers in a place like Swansea are fully employed - - 23,468
There are no warehouses at Swansea - 23,470–2
In places where there are double warehouses a considerable economy would be effected by amalgamation - - - 23,473–4
At Liverpool the public has been really quiescent on the subject of amalgamation 23,475–9
In some places there would be a saving in office rent if amalgamation took place - 23,485–9

Mr. CLARKE.

Collector of Customs at Liverpool - - 23,490
Number of staff under him, altogether 851 men - - - - - 23,491–6, 23,604
Extent of the district - - - 23,497
It is not conterminous with that of the Inland Revenue - - - - 23,498
Witness controls the service at Liverpool - 23,499
And deals with all matters that he can - 23,500
Sending on the difficult cases to the Board - 23,501–3
Has had 44 years' service at many different places - - - - 23,504–5, 23,600
Has been at Liverpool two years and a half - 23,506
Thinks that the two departments should be kept separate - - - - - 23,508
The Customs is as large a service as can be worked efficiently and economically - 23,509–10. 23,602, 23,649–51
Does not think that at small ports the Customs officers could do Inland Revenue work - - - - - 23,511, 23,514
Reductions have been carried so far that Customs staff is barely sufficient to carry out the work - - - - - 23,512–4
A collector at Liverpool, Inland Revenue or Customs, should thoroughly understand all the duties of his subordinates - - 23,515–6
Does not think that one collector at Liverpool could do both Inland Revenue and Customs work - - - - - - 23,517–20
The traders he has spoken to wish things left as they are - - - - 23,521–3
113 out of the 115 warehouses at Liverpool are under the Customs - 23,524–5, 23,571–3, 23,592–5
Collects annually about 500,000*l.* at Liverpool for the Inland Revenue - - - 23,526
Does not come much in contact with Inland Revenue officers - - - - 23,527
A large number of officers in the Customs have smaller salaries than those in the Excise - - - - - - 23,528–31
The receipt of revenue is a simple matter, the difficulty comes in in the management of the business of the Port - - 23,532–3, 23,583
Does not think any loss is caused to the Revenue by having two Boards - 23,534, 23,537
Some small seizures of smuggled tobacco have been made by an Inland Revenue officer at Liverpool - - - - 23,535
For detection of smuggling, depends upon the water-guard - - - 23,538–40, 23,626
There is no want of communication between the two departments in stopping smuggling 23,541
Believes there is a thorough accord between them as regards their work - - 23,542
Has never received any complaints from traders on this point - - - 23,543
Mode in which spirits, &c. are exported - 23,544–51
Does not see any way of simplifying the process, as there must be shipping officers 23,552–3
There is no duplication of work - - 23,554–7
Is unfavourable to the suggested amalgamation - - - - 23,558, 23,649–51
No reduction of staff would be practicable in Liverpool or Bristol - - 23,559–61, 23,645
The Inland Revenue warehousing is more expensively carried on than the Customs 23,561
The Inland Revenue officers are paid more, and more officers are required by them - 23,562
When witness was collector at Bristol, the Customs took over two Excise warehouses and worked them without adding to their existing staff - - - - - - 23,563–8
Does not think that this is an argument in favour of amalgamation - - 23,569–70
Although in this particular instance the Customs were able by grouping the warehouses to avoid adding to their staff - 23,574–5
Does not believe that in small ports there are now both Customs and Inland Revenue warehouses - - - - 23,576–8
The time of his staff at Liverpool is fully occupied - - - 23,579–82, 23,591
The examination of duty-free goods is a very difficult part of their work - - 23,584–5
Has duties to discharge in connexion with quarantine - - - 23,586–90, 23,627
And many other duties for the Government 23,628–9
Has never heard any complaints from traders as to the way the Customs' business is done - - - - 23,596–9, 23,646
But has heard a trader say he preferred the Customs to the Excise - - - 23,646
Thinks if the two departments were amalgamated it would be more costly - 23,601, 23,651
The service would be too large to be worked economically - - - - 23,602
Could not properly supervise the 90 Inland Revenue officers at Liverpool - - 23,605–6

Summary of Evidence.

MR. CLARKE—*cont.*

There is no similarity between the Customs' and Excise work except as regards warehousing - - - - - 23,607–8
The Customs has no staff competent at present to perform Excise duties in a brewery - - - - - 23,609–11
Nor is the Excise staff competent to undertake Customs' duties - - - 23,612–6
Though each might in time learn the other's duties - - - - - 23,613
Each department requires special training - 23,617
The Coastguard now are not really Revenue officers, but are rather trainers for the Navy - - - - - 23,618
They do not protect the coast much from smuggling - - - - - 23,619
Smuggling is prevented by the difficulty of getting rid of the goods - - - - 23,620–4
Smuggling has much decreased in recent years - - - - - 23,622, 23,634–6
But it would increase again if the water-guard staff was not kept up - - - 23,635–6
Does not think amalgamation would lead to any saving in the clerical staff at Liverpool - - - - - - - 23,630–3
The test of spirits is the same in the Customs and the Excise - - - - 23,637–41
But the gauging is different because the Customs have to deal with full casks - 23,639
Collected 3,000,000*l.* in duties at Liverpool in 1888 - - - - - 23,647–8
Liverpool is the principal collectorship out of London - - - - 23,536, 23,650

MR. MATHESON.

Collector of Inland Revenue at Glasgow - 23,652
Number of staff under him - - 23,653
Glasgow is the largest Inland Revenue collection - - - - - 23,654–7
Extent of the district - - - - - 23,658
Has no actual control over the surveyors of taxes - - - - - 23,659–63
But receives all the taxes on notices issued by the clerk to the local Commissioners 23,660, 23,664
In the Excise the supervisors issue the notices for payment - - - - 23,664–6
The surveyors communicate direct with the Board - - - - - 23,667
All his officers are trained men - - 23,668–9
His experience extends over 40 years in the Excise - - - - - 23,670–1
Finds great difficulty in administering the Warehouse Code between the two Boards - 23,672
The difficulties do not diminish as time goes on - - - - - - - 23,880–9
There are 25 general warehouses under the Excise in Glasgow - - - - 23,673–7
And 25 under the Customs - - - - 23,678
All the dry goods are confined to the Customs - - - - - - 23,679
This is one of the grievances of the trade in Glasgow - - - - - 23,679
As if warehouses were under one department, they would be able to store their wet and dry goods in the same warehouse 23,679–80, 23,682
Very strong complaints have been made on this point - - - - - - 23,681
The trade have lost confidence in the Boards because they interpret the Code in different ways - - - - - 23,683, 23,688
They therefore appeal to the Treasury 23,683–6, 23,688
Is of opinion that the traders would be better served if the warehouses were under one board - - - - - - 23,687
But the Glasgow Warehousing Association, at a meeting last October, upon a motion to petition the Treasury in favour of amalgation, carried an amendment against it - - - - - 23,688–93, 23,893–8
This was a very representative meeting - 23,897
Believes this amendment was carried because it was thought that the trade would get better terms by keeping the two Boards at loggerheads - 23,688, 23,692–3, 23,893, 23,898–9
The Scottish malt distillers, on the other hand, resolved to petition in favour of amalgamation - - - - 23,694–5
Instances of the difficulties of working with two departments - - - - - 23,695–759
The Customs allowed certain whiskey to be exported as "Old Highland Whiskey," which the Excise refused to allow - 23,696–7, 23,710
Again, the Excise refused to allow labels with a fictitious name to be placed on spirits bottled for exportation - - 23,698–9
And they were then removed to a Customs warehouse, to be bottled there - - 23,699–706
Does not know whether this was brought to the notice of the Customs Board - 23,702, 23,707–9
These instances show the friction between the two departments - - - 23,710
Rivalry also occurs in claiming warehouses - 23,721–7, 23,825–7, 23,848–51
Inconvenience is caused by the Excise having to accept from Customs officers samples drawn from beer to be exported - - 23,727–31
The Customs officers might substitute some other sample - - - - 23,728
But does not know of such a case, and believes that Customs officers are fully as reliable as those under the Excise - 23,729, 23,731
In the case of beer exported to the Isle of Man, the Customs decline to take samples, because they treat the Isle of Man as part of the Customs system - - - 23,732–9
The Inland Revenue in consequence have to send officers specially to the quays to take the samples - - - - 23,732, 23,737–8
In the case of goods sent from Customs to Excise warehouses, a despatch has to be sent, causing delay and additional expense - - - - - 23,739–42
This could not be altered as long as there are two Boards - - - 23,743–7
There is a rivalry between the two Boards to get as much trade as possible - - 23,747–59
In the case of tobacco, which is a Customs duty, the Excise is responsible during process of manufacture - 23,759–63, 23,769–73, 23,781, 23,785–7
But the Excise has no direct interest in the prosperity of the Customs revenue - 23,759–62
Has no reason to suppose that the revenue suffers owing to this - - - 23,781–6
Thinks the cost must be increased if there are two departments doing what one could do - - - - - 23,787–90
Mode in which tobacco is dealt with when landed - - - - - 23,764–8, 23,774–80
Believes that amalgamation would lead to economy, greater efficiency, and greater trade convenience - - - - 23,790
A fourth of witness's time is taken up by the difficulties in working the Warehouse Code - - - - - 23,791–4
Is of opinion that one collector could superintend all the Revenue work at Glasgow 23,795–802, 23,816–7
Estimates that the addition of the Customs' work under the Code would add about one-fourth to his present work - - 23,803
And would fully employ his time - - 23,804
The fourth of his time now occupied in settling disputes under the Code would go to meet the additional Customs work which would be thrown upon him - 23,805
The Customs have the exclusive administration and supervision of all goods imported 23,805
This work will always have to be done by some special officers - - - 23,806–7
Duties outside the Code of the two departments - - - - - - 23,807–9
One set of officers could in six weeks learn the duties of the other - 23,807, 23,810–2, 22,821–2
The Inland Revenue preventive men might take some of the water-guard duties - 23,813–5
Is not familiar with the work of the Customs outside the Warehousing Code - - 23,818–20
The Inland Revenue furnish the Customs with some of the data for the Board of Trade Statistical Returns - - 23,820, 23,823
By uniting the Boards, the Customs Statistical Department could be entirely dispensed with - - - - - 23,823–4
Is not aware that by amalgamation the staff at the warehouses would be diminished - - - - - 23,825

MR. MATHESON—*cont.*

But some of the warehouses could then be dispensed with - - 23,825-8, 23,845-6
The time of the officers in such warehouses is not fully employed - - - 23,846-7
Thinks that all the steps taken of late years in connexion with the warehouses have been practically to abolish the two departments - - - - - 23,828-30
Under the General Code it is impracticable to maintain two departments - - 23,830
The economy would be effected at Glasgow by abolishing one collector, and also in the cost of inspection - - - 23,831
The inspection now involves duplicate work 23,831-9
The work would be more concentrated if there was one department - - 23,840
Thinks that with a consolidated department salaries might be assimilated to those of the Inland Revenue Department - - 23,841-3
And in many places where there are two Inland Revenue collectors one might be done away with - - - 23,843
In the case of coast officers of the Customs, if there are also Inland Revenue officers, one or the other could be dispensed with - 23,843-4, 23,851
This would result in an enormous saving - 23,843
A considerable saving would be effected in clerical work by amalgamation - - 23,852-6
Saving that could be effected at Newcastle by abolishing one collector, &c. - - 23,857-62
Possibly the traders would not like it - 23,863
There would probably be a great deal of local opposition in various places - 23,864-7
The more intelligent merchants in Glasgow would favour amalgamation - - 23,868-9
Theoretically the merchants would gain by amalgamation - - - 23,870-5
But the warehouse-keepers wouldobject to it 23,872-3
If amalgamation took place the terms "Customs" and "Inland Revenue" should be entirely discontinued - - 23,875-9
Witness communicates direct to his Board in London, not through the Comptroller at Edinburgh - - - 23,890-2

MR. SCOTT.

Collector of Customs at Glasgow - - 23,900
Extent of his district - - - 23,901-2
Number of staff under him - - - 23,903-6
Has served at 11 ports and has been 40 years in the service - - - 23,908-9
Has been nearly five years at Glasgow - 23,910
Thinks that it would not be advisable in the public interest to amalgamate the Customs and Inland Revenue - - - 23,912
It would be inconvenient to the public if the Customs was not kept entirely independent - - - - - 23,913-5
It is important to have a Board who thoroughly understand all the points - 23,915-5, 23,931, 23,951
The Customs officers are always on the quays - - - - - 23,923-30
Work done by the Customs in connexion with the Copyright Acts - - 23,919-21
And in connexion with quarantine, Foreign Enlistment Act, Explosives, &c. - 23,922-3, 23,932-5
All this work requires special experience - 23,936
And therefore should be kept separate - 23,937
Does not believe that the merchants, as a rule, take any interest in the question of amalgamation - - - - - 23,938-40
The Inland Revenue deal with the traders, but not the exporters and importers who go only to the Customs - - 23,941-5, 24,024
Work of the Customs with foreign consuls - 23,946-50
The two departments are quite distinct, except as regards warehouses - - 23,952-4
The whole of the Customs House officers in Glasgow are fully employed - - 23,955
If they had time they could do the duty at distilleries and breweries just as well as the Excise officers can - - - - 23,956
Has never heard any complaint of duplication of work in connexion with export of beer - 23,959
The Customs take the samples of exported beer 23,960
British beer exported is analysed by the Inland Revenue; imported beer by the Customs - - - - - 23,961
The Customs test everything that is imported 23,962
Never heard of an instance of either department making things easy for a trader with the view to bringing trade into its warehouses - - - 23,963-6, 23,973, 24,009
The Inland Revenue at Glasgow and elsewhere have been a little aggressive in the matter of warehouses - - 23,967-72, 24,009
Some difficulties have arisen in the interpretation of the Warehouse Code - - 23,974
It is very much an Inland Revenue Code and the Customs think it could be much simplified - - - - - - 23,975
There is very seldom an appeal by merchants to the Board - - - - - 23,976
And knows of only one case of appeal to the Treasury - - - - - 23,976-7
It is a great advantage to have seaport warehouses under the Customs - - - 23,977-80
If goods are sent to Excise warehouses from ships or *vice versâ* elaborate accounts called despatches are drawn up - - 23,978-9
As the Customs have to keep the original documents - - - - - 23,982-5
If goods are sent to Customs warehouses the original account is sent with them - 23,986-7
So far as warehouses only are concerned, would be in favour of consolidation - 23,981, 23,998-24,000
It would be a public advantage if all the warehouses at Glasgow were under the Customs 23,988-9
Thinks that all the warehouses at Great Grimsby could be taken over by the Customs - - - - - - 23,990-5
And that in such a case advantage would be gained by concentration - - 23,996
The same thing would probably apply to Hull - - - - - 23,997
Does not think that one collector at Glasgow could undertake all the Revenue work - 24,000
He could not take over any more work except the collection of money - - 24,001, 24,020-1
Has a great deal of correspondence with the Board in London - - - - 24,003
Has many questions of difficulty to settle on the spot - - - - - 24,002
The merchants would not be pleased if he devolved some of his work upon someone below him - - - - - 24,004-5
Has very little correspondence with the Inland Revenue collector at Glasgow - 24,006
Does not think that there is any friction between the two services in Glasgow - 24,007-8
The Customs establishments at various ports have been greatly reduced of late years, but there might be room still for a little further reduction - - - - - 24,010-8
The men in one department might be educated to do the work of the other - - 24,019
But it would take a long time for the Excise officers to learn the Customs work - 24,022
Believes that the merchants would not like amalgamation - - - - 24,023-4
Collects over 1,000,000*l.* of revenue in the year - - - - - - 24,025
Of which 200,000*l.* is for Inland Revenue - 24,025

MR. USHER.

Represents the Scottish Malt Distillers Central Association - - - - 24,026-7
Instances of inconvenience and delay caused by the Customs and Inland Revenue being separate departments - - - 24,029-60
If whiskey is sent from, say Edinburgh to Glasgow, for export, a "despatch" has to be sent about it - - - 24,030, 24,034-5
If the despatch is delayed, the goods may miss their ship - - - 24,030, 24,051-2

Summary of Evidence.

Mr. USHER—*cont.*

But their goods have never actually been stopped - - - - - - 24,050
Each department says it is not in fault, and blames the Post Office, and the responsibility cannot be fixed anywhere - 24,032, 24,036–40
The "permit" goes with the goods, and the collector has power to allow shipment upon it, but he may refuse to do so - 24,031–3
If there was only one department the responsibility for delay could be more easily fixed - - - - - - 24,040
Does not think that the delay so caused has been represented to the Board in London - 24,041–2, 24,049–50
Cannot say how many cases of this sort have recently occurred - - - - - 24,043–8
Other instances in which, having two departments to deal with, causes inconveniences - - - - - - 24,055–60
Any regulations which compelled the proper distribution of warehouses would obviate some of the inconveniences - - 24,061
And for this it would not be absolutely necessary to have only one Board - - 24,062
Many difficulties have been met by the amalgamation of the warehouses - - 24,063
The Customs warehouses at Leith are too large, the Inland Revenue warehouses at Edinburgh are too small - - - 24,059–70
The Excise give notice whenever spirit has been lost in transit, the Customs do not - 24,071–6
The regulations might be made identical in this respect - - - - - - 24,077
Thinks the Excise arrangements are more simple than the Customs - 24,077–9, 24,098–9, 24,204
Under the Excise, duty can be paid in the warehouse, but not under the Customs - 24,079–95
This might be remedied without amalgamation - - - - - - - 24,093
Has not made representations to the Board on the subject - - - - - 24,095–6
Difficulty is experienced from the different mode of interpreting the Code - - 24,100–24
Some whiskey sent to Liverpool for bottling in bond, the Surveyor of Customs would not allow to be bottled as "old" - 24,100–5
But this was due to a mistake of the Inland Revenue officials in sending imperfect and incorrect information with the whiskey - 24,106–7, 24,123
Considers, that though the Customs officer was right in refusing to allow the label "old whiskey" to be put on the bottles, he was wrong in saying that it must be declared to be three years' old - 24,108–13, 24,116–24
It was only necessary for him to satisfy himself that it was matured whiskey - 24,108
All this caused a delay of a month, which witness thinks would not have occurred had there been a single Board - - 24,126–9
Does not think that there is any want of harmony between the two Boards - 24,130
Difficulty caused by goods being sent by a mistake of their agent to Queenborough instead of London - - 24,053–6, 24,131–4
The cases witness has mentioned are all the cases the Scottish Malt Distillers Association propose to bring forward - - 24,135–42
Thinks that the revenue is as promptly and completely collected by the Excise as by the Customs - - - 24,144–6, 24,198
Thinks that amalgamation would be followed by saving of expense - - 24,145
As the number of officers could be reduced - 24,147–8
But cannot say that there would be a saving at Leith - - - - - - 24,149
If witness was managing both sets of warehouses, he would probably close one at Leith, but open another at Edinburgh - 24,150–2
There is a difficulty in closing warehouses, as they are private property - - 24,153–5
Does not think that there is much duplication of work, apart from the warehouses, in consequence of there being two Revenue departments - - - - - 24,156–61
The time of the Inland Revenue officers is fully employed - - - - - 24,162–3
At Edinburgh and Leith thinks the only saving would be by the abolition of one Collector - - - - - 24,164–5
Merchants see the Collector personally - 24,166
But not very often - - - - - 24,174–7
Does not know whether the time of the Customs Collector at Glasgow is fully occupied - - - - 24,167, 24,169
But thinks that one Revenue Collector there would be sufficient - - 24,168, 24,170–4, 24,177
The traders to whom he has spoken would rather be under the Excise than the Customs - 24,178–80, 24,185–6, 24,194, 24,202–4
They have more dealings with the Excise than with the Customs - - - 24,187–93
They think that economy would be effected by amalgamation - - - - - 24,181
And that they would find it more convenient - - - - - 24,182
Neither of the Boards are very prompt in answering letters - - - - - 24,183–4
Has no experience of the small ports of Scotland - - - - - 24,195–6
Does not think that there is a rivalry between the two departments - 24,197, 24,199–201
Nor any laxness on the part of the Excise in collecting revenue - - - - 24,198

Mr. BROWN.

Is a wholesale spirit merchant in Glasgow - 24,206
Is very much in favour of amalgamation of the Customs with Inland Revenue - 24,211, 24,275–6, 24,390–5
Deals with both departments - - 24,212
There is a great delay in the despatches going from the Custom to the Excise, and *vice versa* - - - - - - 24,213–5
Explains the process of sending goods for export from (say) Newry to Glasgow - 24,214–31
Cannot ship without the despatch, but if under the Excise the despatch would come with the goods - - - - - 24,216
Now it has to go through the Customs, to the Customs in Glasgow - - - 24,217
Spirits have to lie on the quay in Glasgow while the Customs take samples away for observation - - 24,231, 24,242, 24,395–418
And the merchant has to pay quay rents all the time - - - - - - 24,419–29
If under the Excise, they would take them into a warehouse at once, and take the sample for observation at the same time - - 24,232
Thinks this would save work - 24,442–50, 24,452–3
This could be remedied without amalgamation of the Boards - - - - 24,430–5
To claim goods through the Customs now takes from ten days to three weeks, under the Excise it could be done in a fortnight - - - - - - 24,234
Thinks that the Excise do their work better than the Customs - - 24,235–6, 24,380, 24,473
The Customs are imperfect, slow, and behind the times - 24,237–41, 24,246, 24,250–1, 24,362, 24,376
Complains of both rules and men - - 24,247
Cannot suggest how the Customs rules should be amended - - - 24,240
Even if the rules were altered does not think the Customs would do the work - - 24,248
The Excise are a select class of men - 24,249
Delay is caused by the officers having to consult two Boards - - - 24,252–4
As an instance of this cites a case of an Excise officer refusing to allow a label to be put on a bottle, as he said the Customs would not pass it - - - 24,255–6, 24,263
This was a mistake on the part of the Excise officer, which caused three weeks' delay 24,257–60, 24,264–6
If there had been only one Board there would have been a quicker anwer - 24,260–1

MR. BROWN—*cont.*

But is not sure that in this instance the Customs Board was consulted - 24,262, 24,267–8
A new rule ought to be laid down, so that an officer could not read his instructions wrongly - - - - - 24,271–6
The Code should be made clearer - - 24,277–9, 24,281–94
The Code should be revised every ten years 24,279
The present Code has not been in operation ten years - - - - - 24,280
New officers ignorant of rules &c., cause delay 24,295–7
Custom House Bonds are more expensive than Excise - - - - - - 24,302–3
The number of officers might be reduced by amalgamation - - - - - 24,304–5
Inland Revenue officers are not sufficiently worked - 24,306–8, 24,310–1, 24,323–4, 24,381–2
Neither Boards work their men fully - 24,309, 24,441
They should work longer hours - - 24,312–22
Does not know that amalgamation would bring this about - - - - - 24,441
The Supervisors of Excise have too much to do, the officers under them too little - 24,325–41, 24,388–9, 24,439, 24,451
Does not think the warehouses in Glasgow are too numerous, but some of them are too large - - - - - 24,342–4
Left off doing work through the Customs, because he could not get his work through - - - - - 24,236, 24,345–8
But never represented his difficulties to the Board - - - - - 24,349–56
Thinks that both departments look equally well after the revenue - - - - 24,358–9
More work could be got out of the Excise than out of the Customs, and at less cost - - - - - 24,360–7
The Excise officers are more vigilant - 24,368
If he wanted to get something out of Government he would go to the Customs, but as he only wants to get work done he goes to Excise - - - - - 24,369–76
The Excise gauges a cask more strictly than the Customs - - - - - 24,373–5
Thinks that the Excise rules are better drawn than the Customs - - - 24,377–9
The Customs have improved of late years, but not so much as the Excise - - 24,384–7
Thinks that amalgamation would result in a saving of expense to both Government and the trade - - 24,392–5, 24,436–7, 24,440
Instance of duplication of work - 24,454–63, 24,465–6
Thinks that the majority of traders prefer the Excise - - - - - 24,467–8
And are in favour of amalgamation - 24,469

MR. BARRETT.

Inland Revenue collector at King's Lynn - 24,474
Staff under him and size of his collection - 24,475–9, 24,512–3, 24,516–8
The four warehouses at King's Lynn are under the Customs - - - 24,482–4, 24498
Customs staff at King's Lynn - 24,481, 24,484, 24,516–8
No duty-paying imports at King's Lynn - 24,485, 24,540–1
But all imports have to be searched - 24,486, 24,542–7, 24,550–1
And returns sent to the Board of Trade - 24,548–9
Thinks there would be an advantage in amalgamation, where officers of the two departments are doing very similar duties close to each other - - - - - 24,488–9
And that a reduction of staff would result - 24,490, 24,501
Witness collects 200,000*l.* a year - - 24,490
The Customs collector collects only 12,000*l.* 24,490
Witness could easily undertake the Customs warehouse work - - - - - 24,491
The other Customs duties are performed by officers similar to those under the Inland Revenue - - - - - 24,492–3
Except the boatmen, &c., who are of a lower class - - - - - 24,493–5
Thinks all the revenue work at King's Lynn could be controlled by one Collector - 24,496
Has heard no complaints from traders - 24,497, 24,538
Comes very little into contact with the Customs - - - 24,499, 24,533–6
But the two departments work quite harmoniously together - - - - 24,500
Has a great deal of correspondence with the Board in London - - - - - 24,537
The officers under him are fully occupied - 24,502–5
But could throw a small amount of further work upon them - - - - - 24,504–6
And could therefore undertake some of the Customs revenue work, and slightly reduce the present Customs staff - 24,507–11, 24,514–5, 24,519–20
One collector could be reduced - - 24,521–4
But he might require occasional help from an officiator - - - - 24,525
Officiators are men who receive full pay when employed, and at other times draw only a small salary - - - 24,525–32
There are now three officiators in King's Lynn collection - - - 24,552
Has been 30 years in the service - - 24,539

MR. RIDDELL.

Customs Collector at King's Lynn - 24,553–4
Holds other appointments under the Board of Trade - - 24,555–61, 24,668–70, 24,687–91
Which takes up a considerable portion of his time - - - - - 24,562, 24,693
There is no officer of Government at Kings Lynn to whom this work could be given except the collector of Customs or the collector of Excise - - - 24,694–700
Number of staff under him - - 24,563–5
The collection of revenue and the warehouse work are the only Customs duties similar to Excise duties - - - 24,567
The preventive service is not similar - 24,567
The Coast Guard protect the coasts - 24,568
The Customs have practically no official relations with the Coast Guard - - 24,569–71
Does not think that an entire amalgamation of the Customs and the Excise would be advantageous or possible - - 24,572, 24,632
The only thing common is the warehousing - - - - - 24,573
All the warehouses at Kings Lynn are under the Customs - - - 24,574–6, 24,599
Does not think that one collector at Kings Lynn could do all the revenue work with the present staff - 24,577–8, 24,583, 24,671–82
The collector of Customs ought to be within call continually - - - - 24,579–81
The duties he performs are of great value in the protection of the revenue - - 24,580
He and his staff are fully employed - 24,582, 24,649–65
At times there is a rush of ships and the Customs staff then has to work overtime - 24,650–4
The Hamburg trade has rather declined, and if it does not increase again it is proposed to slightly reduce the Customs staff - 24,655–63
The collector of Customs is also surveyor - 24,584–5
The Inland Revenue collector receives a higher salary than the Customs collector - 24,586
The salaries of the subordinates of the two departments are about the same - 24,587, 24,589
But the boatmen are of course of a lower class - - - - - 24,588
Does not think that an officer could be a Customs officer one day and an Excise officer the next - - - - 24,591
The men doing duty on board ships must be a special class - - - - 24,591–2
The clerks might be able to be interchangable - - - - - 24,593
The duties as regards warehouses are similar - - - 24,594, 24,600–1, 24,634

Summary of Evidence.

Mr. RIDDELL—*cont.*

Has received no statement from traders on the subject of amalgamation - - 24,595–6
Has heard that at Boston, where the warehouses are under the Inland Revenue, traders have been inconvenienced by having to wait for an officer to be found - 24,597–9
It would probably be an advantage if the warehouses at Boston were transferred to the Customs - - - - - 24,666–7
Any question of the interpretation of the Warehouse Code at Boston would be referred to an Inland Revenue collector or to the Board - - - - - 24,602–3
The Customs could do the warehouse work at Boston with their present staff - - 24,604–5
Is in favour of the warehouses being administered by one department in each place - - - - - 24,606–8
The warehouses are virtually consolidated now - - - - - - - 24,635
The duties being performed under exactly the same Code - - - - 24,636
Though not under the same department - 24,637–8
Sees no advantage in providing that only one set of officers should do the warehousing work - - - - - 24,639–43
Does not believe there has been any rivalry between the departments in order to keep traders - - - - - - 24,609–10
The officers of the two departments do not mix much together - - - 24,610–3
But they would immediately confer together if any difficulty arose - - - 24,614
If any difficulty arose in the interpretation of the Code, witness would communicate with his own Board - - - 24,615
But the Code is so simple that he does not see how a difficulty could arise - - 24,616–7
Has had no complaints from traders with reference to the Code - - - 24,618–9
A collector of Customs must have had some technical training in regard to shipping - 24,620–6
Some of the duties he performs for the Board of Trade, also involves some shipping knowledge - - - - - 24,627–31
An officer of Customs would do Inland Revenue work easier than an officer of Inland Revenue would do Customs work 24,632
Witness sometimess goes on board ship to superintend the work - - - 24,644–5
His work is principally supervision and could not be done by a subordinate - 24,646–8

Mr. MOLINEUX.

Chief Inspector of Excise - - - 24,702–4
His work is purely confined to Excise - 24,705–8
Is familiar with Sir A. West's views on the amalgamation of the Customs and Inland Revenue Departments - - 24,709–10
Believes amalgamation to be perfectly practicable - - - 24,711, 24,716–7, 24,795
The officers of either department could do the work of the other, except the boatmen 24,712
Is not fully acquainted with the work done by the Customs for the Board of Trade, but does not believe that it is very difficult or intricate - - - - - 24,713–5
Thinks that amalgamation would be economical - - - 24,718, 24,725–30, 24,795
There are 52 collectors of Customs at ports, in 23 of which there are alsoInland Revenue collectors - - - - - 24,718
For the purposes of collecting revenue in most of these 23 places, two collectors are unnecessary - - 24,718–21, 24725–30
Sees no reason why at these places the Inland Revenue collector should not also undertake the duties performed by the Customs for the Board of Trade - - 24,722–3
Thinks it may be necessary in the event of amalgamation to re-arrange the Excise collections so as to retain the collector in the port as much as possible - - 24,724
Thinks that amalgamation would result in an immediate economy of from 12,000*l.* to 15,000*l.* - - - - 24,731–4, 24,747
Cannot give an opinion whether a controller and deputy could take the place of the present Boards - - - - 24,735–9
But thinks that a Board would have greater authority with traders, and taxpayers - 24,740–4
Desires to see a complete fusion of the two Boards upon terms of equality - - 24,745–6
This would not cause the slightest inconvenience to traders - - - 24,748–9
There would be an economy in amalgamating surveyors of Customs with supervisors of Excise - - - - 24,749–50, 24,758
Surveyors of Customs have much higher salaries than supervisors of Inland Revenue - - - - - 24,752
Average salaries of Customs officers (excluding boatman) is about 206*l.* a year, and of Inland Revenue about 176*l.* - 24,753–7
Amalgamation would be for the convenience of traders - - - - 24,759, 24,795
Present system leads to delay and inconvenience - - - - - 24,759–60
If one department kept its warehouses open longer than the other this might lead to complaint - - - - - - 24,761–4
This is a matter of administrative detail - 24,763
There is a spirit of rivalry between the two departments which acts unfavourably to the interests of the Revenue - - 24,765–8
But believes that each department does its work faithfully and truly - - 24,766–7
The Inland Revenue out-door service are constantly comparing their salaries and terms of service with those of the Customs, and this causes discontent - 24,769–78, 24781, 24,805–7
Which would be done away with in the event of amalgamation - - 24,772, 24,782, 24,808
Does not think that amalgamation would result in levelling up - - - 24,779–80
With an amalgamated Board there would be less delay in dealing with applications from traders - - - - - - 24,783–5
As in every deviation from the Code it is necessary to consult both Boards - - 24,783–6
This entails a good deal of clerical labour - 24,787, 24,793–4
Amalgamation might therefore enable the clerical staff to be reduced to some extent- 24,788–9
But the letters are not very numerous, perhaps 150 a year - - - 24,790–3
Has frequently heard merchants express an opinion in favour of amalgamation - 24,796–7
Is strongly in favour of amalgamation - 24,798
There are some difficulties in the way, especially in the time of transition - 24,798
It would be necessary to carry out the changes gradually and with judgment - 24,798
No difficulty as regards the warehousing work which is now identical - - 24,801
But some difficulty as regards the waterguard and the work done by the Customs for the Board of Trade - - - - - 24,802–3
The Inland Revenue have to do work for other departments - - - 24,804
Previous amalgamations have resulted in considerable savings - - 24,809, 24,814, 24,816
Was not aware that within 14 years after the amalgamation of Stamps and Taxes in 1835, the amalgamated services cost 15,000*l.* more than they did before - - 24,813–4
The surveyors of taxes are perfectly distinct from other Inland Revenue officers - 24,810
Owing to the amalgamation of Stamps and Taxes with Excise there has been a saving in the highest grades - - 24,811–2

Mr. WILLS.

Tobacco merchant in Bristol and London - 24,818–20
One bonded factory in Bristol controlled by the Customs - - - - - 24,820–1
And one free factory controlled by the Excise - - - - 24,820–1
Manner in which tobacco imported into this country is dealt with - - - 24,822–3
Unmanufactured tobacco is taken charge of by the Customs and deposited either in a Customs or Inland Revenue warehouse - 24,822

Mr. WILLS—*cont.*

Imported manufactured tobacco is controlled by Customs - - - - 24,822
If it contains nothing but tobacco and 35 per cent. of water it pays a duty of 4*s.* per pound 24,823
If it contains sweetening matter it pays a duty of 4*s.* 6*d.* a pound - - 24,823
Leaf tobacco pays a duty of 3*s.* 2*d.* a pound - 24,845
All manufactories where sweetened tobacco is dealt with are controlled by the Customs 24,840–4
The bonded factories were placed under the Customs because the Customs had to do with foreign manufactured tobacco - 24,919–20
In manufacturing tobacco under bond anything that is not prejudicial to health may be added - - - - 24,845
And the higher duty is paid on the net weight of the manufactured article - 24,846
The Customs, so far as a bonded factory is concerned, are not required to know anything about chemistry or analysis - 24,847, 24,886–7
Their duty is simply to see that no tobacco leaves the factory that has not paid duty - 24,848, 24,852, 24,882–4
They are responsible for the weight only - 24,850
The Excise are responsible in their warehouses for the purity of the tobacco - 24,850
An Excise officer would be able to do all the duty in a Customs' manufactory of tobacco - - - - 24,851
But in an Inland Revenue tobacco warehouse the Excise Officer requires to have a knowledge of chemistry - - - 24,851
In a bonded factory the Customs practically do not check adulteration owing to the higher duty payable - - 24,853–4, 24,856–68
The Inland Revenue in their warehouses are obliged to check adulteration, because nothing may be added except water - 24,855, 24,868, 24,877–8
In the manufacture of sweetened tobacco in bond, the duty is not paid till the article comes out of bond - - - 24,869
In the other manufacture it is paid before it goes into the warehouse - - 24,870
There would be no inducement to adulterate tobacco in a Customs bonded factory with cabbage-leaf or such things - 24,871–6, 24,888-92, 24,928
If the Customs bonded factories were placed under the Excise, their duties and practice would be identical with those now performed by the Customs - - - 24,879–80
Nothing but tobacco would be allowed to go into a Customs bonded factory - - 24,881–3
The manufacture of snuff has to be scientifically watched to guard against adulteration - - - - - - - 24,929–35
The Customs have to protect the Revenue against smuggling - - - - 24,823
There is a great deal of smuggling of tobacco in small quantities - - - 24,283–8
The supervision over smuggling would be better if there was only one department - 24,828, 24,897, 24,940
Thinks there is a disadvantage in having a division of Revenue labour - 24,828, 24,893
If the officers were under one head the work would be done more efficiently and more economically - 24,828–9, 24,894–6, 24,915, 24,936, 24,946–7
As the heads of departments could be reduced - - - - 24,829
The Code of Revenue law outside the warehouses is not identical - - 24,830–2
One collector could control all the Revenue work at Bristol - - - - 24,833–4
He would want a good chief clerk - 24,835, 24,916–8
There would be a great simplification of work if it was all under one department - 24,836, 24,897, 24,925, 24,946
There might be a little difficulty at first until the officers get to know the work of both departments - - - - 24,837
It would be a great convenience to his firm if there was only one head to deal with - 24,838–9, 24,924, 24,936
But they have not suffered from the fact that there are two departments - 24,937, 24,943
There is always a friction between two departments whose duties clash - - 24,898–900
Does not think the rivalry between the Customs and Inland Revenue is beneficial to the Revenue - - - 24,899, 24,942
Would only carry the amalgamation out so far as the heads—collectors and their staffs—are concerned - - - - - 24,901
The duties of a gauger, landing waiter, &c., must always remain - - - 24,902
But there are many matters which might be interchangeable amongst the under officers - - - - - 24,903–5
And in time there would be a saving all through the ranks - - - 24,906
In small ports the saving would be greater than in large - - - 24,907–9
Has had a large experience of the working of both departments - - - 24,910–11
Has received great courtesy and assistance from both - - - 24,912–3, 24,945–6
And has no complaint, whatever, to make of either - - - - 24,913–4, 24,943–6
And cannot point to any disadvantage except that which practically comes from two people doing one person's work - - 24,944
Does not think that the trade have experienced any prejudicial delay owing to having to deal with two departments - 24,926–7, 24,943
Thinks that merchants at Bristol would be in favour of amalgamation - - - 24,938
But does not believe that any representation upon the subject has been made to Government, through the Chamber of Commerce or otherwise - - - - - 24,939
Believes that the more departments with kindred duties are consolidated, the better and cheaper the work will be done - - 24,948
Instances the case of railway amalgamation - 24,936, 24,952–5

Mr. BIGGS.

Represents the firm of Lister and Biggs - 24,956
Who have experienced inconvenience from different ways in which Customs and Inland Revenue deal with spirits of wine 24,957
The inconvenience arises from the Customs mode of gauging a cask - - - 24,958
Sometimes they gauge a cask to contain five gallons less than it really does - - 24,958
Then a rectifier, having paid duty on the quantity gauged, takes it and methylates it and gets a drawback on the full contents as computed by the Inland Revenue 24,958
And in consequence receives back five 16*s.* more duty than he has paid - - 24,958
The witness taking the spirit under bond gets no drawback - - - - 24,958
And, therefore, is to the above extent worse off than the rectifier and cannot compete with him - - - 24,958, 24,980
Witness does not care about the departments being amalgamated - - 24,961 24,986
But wants the rules for arriving at the contents of casks to be the same - 24,959–61, 24,986
When it is a case of low duty it does not much matter, but when the duty is 16*s.* 6*d.* a gallon it is of importance - - 24,960
The Customs plan is to gauge - - 24,962–3
The Inland Revenue is to empty the cask and weigh - - - - 24,962
Sees no difficulty in the Customs adopting the rule of the Inland Revenue - 24,959, 24,964–6
This should be the rule, especially in the case of strong spirits paying a heavy duty 24,966–8
This would get rid of the difficulty and inconvenience - - - 24,969
Has corresponded with the Customs and Inland Revenue on the subject, but practically with no result - - 24,970–2, 24,987
The difficulty would be met by a rule that no one should get drawback on more gallons than he has paid duty on - - 24,974
But this would scarcely be practicable as the rectifier mixes the spirit with his duty paid stock and could not identify it - 24,974–6
The Customs would agree that they cannot gauge accurately - - - 24,978
Casks can be "prepared" for gauging by having thick staves inserted in - - 24,977–83
The whole of this methylated spirits business should be done in bond - - 24,973, 24,984–5

Summary of Evidence.

Mr. HUTCHISON.

Is a shipowner in Glasgow - - - 24,988
Has more dealings with Customs than with the Excise - - - - - 24,989
Considers that the Customs are much more amenable to the common sense view of the trade than the Excise are - 24,989, 25,025
His firm are the largest carriers of wine into Scotland from foreign parts - 24,990
The constructive warehousing allowed by the Customs saves a great deal of trouble 24,991-2
Would be very sorry to see the present state of things changed - - - 24,993
The Customs give them every facility - 24,994
Their trade is largely through trade with other parts of the country - - - 24,995
The obscuration on wines, &c. has to be taken in all cases whether under Customs or under Excise - - - 24,996
It would be very inconvenient if Excise officers not accustomed to the duty came down to work wine cargoes - 24,999, 25,046-7
Instance of inconvenience caused by the Excise raising a difficulty in the case of brandy sent to Edinburgh "to order" and calling upon the Edinburgh carters to take out a licence to sell spirits - 25,000-23
This was over zeal on the part of the Excise, as the Edinburgh carters were merely conveying them to a a warehouse "to order" until the consignee claimed them - - - - - 25,003-23
It is a common practice to send goods in this way "to order," and the Customs would have recognised it - - 25,000-23
Thinks that the stamps and taxes might be dealt with by the Post Office - - 25,027-8
And that the Customs might undertake all other Revenue, the Excise ceasing - 25,029-31
Thinks that there should be one officer of Revenue in Glasgow - 25,032-4, 25,038-9
All the Glasgow traders he has spoken to are of opinion that it would be better to retain the Customs than the Inland Revenue - - - - - 25,035-7
In Glasgow he deals practically with the Customs only - - - 25,040-1
And in towns outside Glasgow with the Excise - - - - - 25,040-1
Does not think the Customs officers in Glasgow could perform more work than they do at present - - - 25,042
But the collectors could - - - 25,043-5
The Customs officers are very active - 25,048
Constantly has to appeal to the collector of Customs who thoroughly understands the business - - - - 25,049-51
Would deprecate having to go before a man who did not understand the business - 25,052

Messrs. HUNTER, CUNNINGHAM, CROWE, and WEBSTER.

Represent supervisors, first-class officers, second-class officers, and assistants of Excise - - - - - 25,053-7
Responsibility, nature, and extent of their work - - - - - 25,058-9
Working hours are very irregular - 25,058-9
Main grievances are that both the supervisors and officers are unnecessarily subdivided into three classes - - - 25,059
Wish a service scale to be granted to both grades, rising by seniority to the maximum - - - 25,061, 25,067, 25,109-14
The officers should have a maximum salary equal to that of lower division clerks 25,061, 25,149
The supervisors should have a maximum salary equal to that of a higher division clerk, or a surveyor of Customs or of Taxes 25,061, 25,149
To a large extent supervisors do the same kind of work as the surveyors of Taxes - 25,062-3
Promotion has been very much stopped owing to the change from a malt to a beer duty rendering higher officers unnecessary - - 25,064-6, 25,071-3, 25,077-8
The grade of supervisors should continue to be distinct from that of officers - - 25,068-70
Difference of remuneration for similar kind of work performed by indoor and outdoor officers - 25,074-6, 25,140. 25,149, 25,290-2
In the reorganization of 1887 many upper appointments were abolished, and the size of some of the districts in charge of supervisors were increased - - 25,077-85
A district is either a first-class or a second-class district according to the personal position of the supervisor in charge - 25,085-90
The Board have power to change first-class districts into second, and *vice versâ* - 25,085, 25,092-100, 25,107-9
There is no necessity for these distinctions - 25,100
There is practically no difference between the duties of a first-class and a second-class officer - - - - - 25,060, 25,111
Promotion from a second-class to a first-class supervisorship is by seniority tempered by fitness - - - - - 25,101-6
Propose a scale of salaries for officers commencing at 80*l.* and rising by 5*l.* to 100*l.* - - - - - 25,115-8
The salaries now commence at 50*l.*, rising in six years to 65*l.*, with an allowance of 2*s.* a day whilst actively employed, which adds on about 30*l.* a year - - 25,115, 25,119-36
The officers suggest that they should go on by regular increments to 190*l.*, and then, if fit, to 250*l.* - - - 25,136-9
The diminution of higher appointments and the consequent slowness of promotion is one of the principal points in their case - 25,142-7
There is discontent and dissatisfaction permeating the service from end to end - 25,148-52
Have not sufficient data to enable them to calculate what the cost of carrying out their suggestions would come to - 25,153-4
The Board have stated that a general increase of salaries would amount to about 150,000*l.* on the mean and 300,000*l.* on the maximum cost of the outdoor Excise service - - - - - 25,155-7
But witnesses do not think that it would be so large - - - - - 25,158-9
They estimate that it could not at any time exceed 120,000*l.* a year - - - 25,159
And that in the first year it would probably not exceed 20,000*l.* - - - 25,159
Do not think that it would be good policy to lower the status of the service by putting the incoming men on a lower salary - 25,160-1
Absence of rewards for good service - 25,162-3
The divisions in the lower or charging grade are purely artificial - - - 25,165-6
An assistant whilst officiating for an officer does exactly the same work as an officer would - - - - - 25,167-72
If there were collusion between the officers and the brewers, &c. the Revenue could be greatly defrauded - - 25,173-5, 25,183-7
Until or unless checked by a superior official 25,173, 25,176-82, 25,187
It is the business of the supervisor to be responsible for the proper charging, &c. of the officers in his district - - 25,188-93
But he cannot check the basis of the change unless he visits the brewery, &c. immediately after it is made - - 25,194
Think that travelling expenses to and from residences should be paid - - 25,195-8
And that some allowance should be made for loss of prospects since they entered the service - - - - - 25,200-7
Discontent must tend to a perfunctory discharge of duty - - - - 25,207-10
The horse allowance, 40*l.* for the officers and 55*l.* for the supervisors, is not sufficient - 25,211-20
Some of the younger men amongst the assistants are allowed to enter the indoor service as clerks - - - 25,222-4
The assistants should be allowed an annual increment - - - - - 25,225-32
They entered the service understanding that they would be promoted in about four years - - - - 25,228-30

MESSRS. HUNTER, CUNNINGHAM, CROWE, and WEBSTER—*cont.*

Many of them now will serve from 10 to 12 years before promotion - - - 25,232

The triennial increment of 7*l.* 10*s.* is only half the increment given to lower division clerks and not quite half the annual increment given to boy clerks - - 25,232

The assistants are sometimes unemployed from 100 to 175 days in the year - - 25,233–5

Their average hours when employed are not less than eight - - - 25,236–8

If an assistant is employed for a second class officer he only receives 1*s.* a day for horse allowance - - - - 25,239–54

Though he does exactly the same work as the second class officer who receives 40*l.* a year horse allowance - - - 25,239–54

And an assistant drawing a fixed salary of 95*l.* a year is allowed nothing for horse allowance whilst officiating as second class officer - - 25,239, 25,241, 25,243–51

All the assistants on 95*l.* a year are not employed all the year round - - 25,256

On an average some of them would be unemployed for 60 days in the year - 25,257

List of licenses the outdoor officers have to to look after - - - - - 25,258–65

They have to do very delicate work in connexion with ascertaining whether the sureties for bonded warehouses, &c., are really possessed of the necessary amount - 25,266–71

But they would not be called upon to pay any loss from the default of a surety - 25,271

They think that officers of less than 10 years' service should have 21 days leave, and officers of more than 10 years' service 28 days - - - - 21,271–3

In consequence of the irregularity of their hours they are unable to supplement their incomes by outside work - - 21,273–7

The sum of 5*l.*, allowed them for having to provide a room for official business, is not sufficient - - - - - 21,278–85

MESSRS. ANDERSON AND FISHER.

Represent the second class Inland Revenue Inspectors - - - - - - 25,293–5

Their salaries commence at 380*l.*, rising by 10*l.*, a year, to 400*l.* - - - 25,296

They pass through the various ranks of the service - - - - - - 25,297

And enter their present class by examination from supervisors - - - - 25,298–9

There are 19 inspectors - - - 25,300

Their duties are not confined to Excise - 25,301–6

They come immediately below the first-class inspectors of Excise - - - 25,306

The minimum of their class is 380*l.*, and the minimum of the first-class is 550*l.* - 25,307–10

The maximum is 400*l.* and 650*l.*, respectively 25,311

The promotion is usually to a collectorship and from that to a first-class inspectorship 25,312–6

Duties of second-class inspectors - - 25,317–22

Duties of committee clerks and principal clerks - - - - - - 25,322–7

Who act too much as go-betweens between the Board and the inspectors - - 25,366

These officials receive salaries of from 600*l.* to 800*l.* a year - - - - 25,327, 25,329

And deal with routine papers, the inspectors dealing with the important papers - 25,326–30, 25,349

They also are now taking all the secretaries posts - - - - - - 25,330

The committee clerks were introduced in 1887 - - - - - - 25,330–2

The inspectors do skilled work and get less pay than the committee clerks who do routine work - - - - - 25,388

The inspectors seldom come into contact with the Commissioners - - - 25,330

Of the 16 officials between the inspectors and the Commissioners, only one, the Excise Secretary, is a practical man, familiar with all the duties of his position - - 25,333–6

The inspectors were formerly more freely promoted to the secretariat - - - 25,337–8

Would reorganise the departments of the secretary and chief-inspectors, so that the superintending inspectors should take their papers to the Board - - - 25,339, 25,341

Considers that there is no necessity for both the indoor and the outdoor staff - - 25,340

The outdoor could well perform the duties without the chiefs of the indoor department, but the indoor could not get on without the outdoor - - - 25,341

Think that the salaries of their class should commence at 450*l.* rising to 500*l.* a year by 20*l.* - - - - 25,341–2

Joined the first-class inspectors a year ago in petitioning the Board for an improvement in their position - - - 25,343

The first-class inspectors were then given an increase of 100*l.* a year to their initial salaries - - - 25,310, 25,343

But the second-class inspectors have received no reply to their petition - 25,343–4, 25,346, 25,355–6

Think that by the reorganisation they propose a saving of some 4,000*l.* a year would result - - - - - - 25,345

With which the salaries of their class could be sufficiently raised - - - 25,345

Promotion now is much slower than formerly - - 25,346–7, 25,372, 25,382–4, 25,388

Under the old system they would have been better off than they are now - - 25,374–81

Believe that in other classes of the Civil Service compensation has been given for loss of prospects - - - - 25,348

In the late reorganisation there was not a single higher division clerk in the indoor branch who did not get an increase of salary - - - - - 25,349

In the outdoor branch on the other hand 12 collectorates and two inspectorates were abolished - - - 25,349

The saving 30,000*l.* a year was obtained from the outdoor department - - 25,349

The inspectors want a closer relation between them and the Board - - - 25,350–4

If they did some of the committee clerks' work, the amount of registration, &c. could be materially reduced - 25,354, 25,366–8

Position of committee clerks in the Inland Revenue and Customs respectively - 25,357–64

Witnesses were anxious to bring sample papers to show the nature of the work done by themselves and by the committee clerks, but the Board would not allow them to do so - - - - 25,365

Witnesses represent 18 out of 19 second-class inspectors, but not the first-class inspectors - - - - - 25,369–70

Think that their increment should be more than 10*l.* a year - - - - 25,384–7

MESSRS. BLAKE AND GOUGH.

Represent the Surveyors of Taxes - - 25,389–90

Their grievance as to salary has been partially remedied since their statement was sent in - - - 25,391, 25,410–11, 25,479

But they still think that the difficulty and delicacy of their work has not been fully recognised - - - - 25,391, 25,431

Present scale of their salaries - - 25,412–21

All the posts from the chief inspector downwards are open to them - - - 25,422–8

Collectorships are not open to them, as those appointments are in the Excise Department, from which the Surveyors of Taxes are quite separate - - - - - 25,429–30

They consider that in important districts their salaries are still not high enough - 25,432–7

Contend that their duties are quite as important as those performed by committee clerks and principal clerks - 25,438–9, 25,448

Important nature of their duties 25,439–46, 25,504–6

Summary of Evidence.

MESSRS. BLAKE AND GOUGH—*cont.*

They consider that the important and confidential duties done by surveyors' clerks ought not to be entrusted to men engaged on small weekly wages - - - - 25,391
But know of no instance of their having betrayed confidence - - - - 25,500–4
They suggest that a clerk attached to important districts should receive increasing wages up to 40*s.* a week, and then, after passing a qualifying examination, should be allowed to rise to 150*l.* a year, and be permanently established - 25,391, 25,395, 25,398. 25,401–3
Thirty shillings a week is the maximum the principal private clerk gets - - 25,394
These clerks are not established officers, but are continuously employed subject to a week's notice on either side - - 25,336–7
All the principal districts, about 80 or 90, have two of these clerks - - - 25,399–400
Have not calculated what the cost of their proposal would come to - - - 25,404
Their object is to obviate the difficulty of a clerk leaving at a week's notice, and their being unable to obtain anyone to take his place - - - - - - 25,404–5
Not more than 100 clerks would be affected by the change - - - - 25,406
Work done by these clerks - - - 25,407
They know all the assessments to income tax of the various tradesmen in their towns - 25,408–9
Think that the amount of leave—28 days—allowed Surveyors of Taxes should be increased - - - - - 25,449–69
And that some arrangements should be made for carrying on their duties during their absence - - - - - - 25,450–3
Now the work accumulates while they are away - - - - 25,451–3, 25,467
As a rule they are unable to take the 28 days continuously - - - - - 25,454–5
Some parts of the year are slacker than others - - - - - - 25,456–7
Average day's work at easiest time is seven hours - - - - - - 25,458
Do not know whether, if length of leave was increased, number of surveyors would have to be added to - - - - - 25,465
Surveyors work seven, eight, and ten or more hours a day - - - - - - 25,470–6
Think that surveyors should have their salaries increased in the same way as clerks in Somerset House had theirs increased when placed upon seven hours' scale - - - - - - 25,477
Suggest an improvement in the mode of keeping parochial ledgers which would effect an economy - - - - - 25,480–5
Have not officially made this suggestion to the Board - - - 25,481, 25,485
Think that chief inspectors' department should have entire control of questions relating to Income Tax - - - - 25,486–92
And that no part of this duty should be performed in the secretary's office - 25,486–92
Suggest an alteration in the mode of dealing with "Form 48" - - - - 25,493–5
And with reports on schedules - - 25,496–7
And with the Valuation Act and assessments on public companies - - - - 25,498
Have found boy clerks in some cases most useful - - - - - - 25,392, 25,499

MESSRS. CUBBIN, SYMONS, AND DEVEREUX.

Represent the Customs Examining officers in the Port of London - - - 25,508
Think that their salaries should rise from 110*l.* by 10*l.* to 350*l.*, no officer attaining a higher salary than 220*l.*, unless thoroughly fit - - - - - 25,509, 25,544–56
In 1882 there were 75 surveyors immediately above them, but that number has since been reduced to about 50 - - 25,510–5, 25,528
Consider that this constitutes a breach of contract - - - - - - 25,540–4
This is owing to the amalgamation of the outdoor and indoor departments - - 25,511
Numbers of first class, second class, and assistant examining officers - - 25,516–8
In 1882, when the amalgamation took place several officers joined the outdoor service on the understanding that a certain establishment would be maintained, but this has been since reduced and their prospects injured - - - - 25,519–21, 25,540–4
These officers were allowed two months to learn the outdoor duty - - - 25,522–3
It takes at least six months to learn gauging 25,524–7
The establishment now is composed of two classes, the old outdoor men, and the clerical officers - - - - - 25,529
Recently there have been one or two cases of an officer being promoted to a collectorship 25,599–601
The old outdoor men complain that if their original establishment had been left, many of them would now be surveyors - 25,529, 25,534
The indoor men complain that the 75 surveyorships promised them have been cut down to 50 - - - - - 25,529
Every section of the department has a grievance, owing to the stagnation of promotion 25,529
The amalgamation has not secured the good will of the officers - - - - 25,531
Are in favour of there being special officers for gauging and landing duty, and clerks proper - - - - - - 25,531
Think that if officers have to perform many varied duties, they will be less efficient than if they have only one class of work - 25,533, 25,558–62
One result of the change has been to make certain of the better appointments open to them - - - - - - 25,535–40
But this affects the out port clerks adversely who find the collectorships thrown open to another class than themselves - - 25,536–40
Believe than the change was made because it was thought that it would be economical to have officers capable of performing any of the duties - - - - - - 25,563–4
At the small ports it may be right that an officer should do all the general work of the port - - - - - - 25,564
But at large ports it would be more economical to keep men to one class of work, and the work would be more efficiently performed - - - - - - 25,564–70
Complain that some of the water-guard officers have to work for very long hours - 25,571–5
The state of the offices, &c. in which they work have been considerably improved lately, but some are still very unhealthy - 25,576–9
Believe that it has been proposed that hours of officers employed upon landing and shipping duties should be increased - 25,580–2
Their hours at present when employed upon free goods are from 6 a.m. to 6 p.m. - 25,580
And when employed upon dutiable goods from 8 a.m. to 4 p.m. in the summer, and from 9 a.m. to 4 p.m. in the winter - 25,580
The officers think that it is scarcely fair that when employed upon free goods they should be liable to attend for 12 hours, and when employed upon dutiable goods seven or eight hours - - - 25,580, 25,606–7
And are of opinion that eight hours should be the maximum in any case - - 25,580
If they are compelled to work from, say 6 a.m. to 2 p.m., this is very inconvenient, necessitating their getting up at four or half-past in the morning - - - 25,583
Hitherto the convenience of the traders has been met by a system of overtime payments - - - - - - 25,584–5
Think that a continuance of these overtime payments for hours before 8 a.m. or after 4 p.m. would be cheaper and fairer to the officers than employing relays of officers 25,586–98, 25,608–10
No time allowed them for meals during their eight hours' service - - - 25,602–5

MESSRS. CUBBIN, SYMONS, AND DEVEREUX—*cont.*

Think that officers in London should have some compensation for the extra time and expense spent in travelling, and for the enhanced house rent - - - 25,611–2

If transferred to Excise, think that some consideration should be given to those officers who, had it not been for the amalgamation of 1882, would be in higher positions than they now occupy - - 25,612–4

And that if there is an amalgamation it should be a real one, and that the officers should be thoroughly interchangeable and all have equal chances - - - 25,614–6

MESSRS. MOLONEY AND WEBB.

Represent out door officers of the Customs, with the exception of those at Liverpool - 25,617–9

One of their greatest grievances is the system of acting examining officers - 25,620, 25,642–52

Outdoor officers, whilst so employed, do the duties of examing officers, but for so doing receive only 1*s.* a day - - 25,621–5, 25,629

By employing outdoor officers on this work, positions which ought to be filled up are not filled up, promotion being thus stopped - - - - - 25,626–30

The creating of assistant examining officers has not met this grievance - - 25,631–40

As there are not sufficient of them - - 25,634–40

In London there are about 70 acting officers 25,641, 25,643

Think that the annual increment should be increased from 30*s.* to 3*l.* - - 25,653–5, 21,662

And that classification should be abolished - 25,655

In their service no distinction is made between the work of one class and another - 25,656

A waterman does not pass into the outdoor officers second class as a matter of course - 25,657

A second class officer passes into the first class provided his character is good - 25,658

But there is no promotion till there is a vacancy in the first class - - - 25,658–9

Recently a copyist was appointed directly to a first class officership - - 25,659, 25,666

This is considered a grievance, and the outdoor officers fear that it may be used as a precedent - - - - - 25,660

Copyists have also been appointed to outport clerkships - - - - 25,667–8, 25,671

Which the witnesses consider should be open to them to compete for - - - 25,668–70

The out door officers come in by competition 25,661

Till quite recently promotion to the first-class was by seniority - - - 25,663

Within the last 18 months two or three officers have been promoted for special service - - - - - 25,663

One was placed over the head of 66 others - 25,663–7

Think that some other mode should be found for rewarding special work - - 25,663

An outdoor officer on London duty has not the same opportunity of distinguishing himself as one on Gravesend duty - 25,664

Wish retirement to be compulsory at the age of 60 to provide for promotion - 25,672–5, 25,678–80

At one dock the average of 22 examining officers' service is 33 years each - - 25,676–8

Have not calculated what the cost of this proposal would involve - - - 25,681

The deputy chairman informed a deputation of outdoor officers that their hours are from 6 a.m. to 6 p.m. - - - - 25,683–7

The witnesses contend that no such condition exists - - - - 25,683–5

Although they quite understand that they may have to perform duty at any time, Sundays or week days, without extra pay - - - - - 25,687

For some duties outdoor officers in London are often now employed from 6 to 6 - 25,688–90

When they entered the service they were informed that when employed on the river the hours were irregular, but that in the warehouses they were from 8 to 4 in summer and 9 to 4 in winter - - 25,683, 25,691–3

It is unreasonable to ask men to work from 6 to 6 on warehouse and landing duties - 25,694–5

On board ship it is different, as the men sleep on board and are always there - - 25,696

They contend that when on land duty the hours should be from 8 to 4 in summer and from 9 to 4 in winter - - - 25,700

Wish a broader system of awarding characters to be instituted - - - 25,701

And that officers should be told when any complaint against them is recorded - 25,701–2

At present they have no knowledge about it till they are passed over, or wish to attend another examination - - 25,701–2

By this time it may not be possible to question or investigate the complaint - 25,701–2

Wish the results of the examinations for second class examining officers to be communicated to unsuccessful candidates - 25,703–6

At some ports the officers complain of having to perform menial duties - - 25,707

MESSRS. SMITH and GEORGE.

Represent Customs outdoor officers at Liverpool - - - - - 25,708–9

Young men entering after competitive examination are put upon water-guard duty and kept on it for some time - 25,710, 25,781–2

This duty does not require a great deal of intelligence, nor a severe educational test - - - - - 25,710

And by this system the efficiency of the department has deteriorated - - 25,710

Suggest that the water-guard duty should be done by a staff of naval pensioners - 25,711–7

They would do the work quite as efficiently and more economically - - - 25,711

This suggestion has been made to the Board 25,712–5

And the severity of the duty felt by the young men appointed by examination was pointed out - - - - - 25,715

The Board censured the officers for combining to make this suggestion - - 25,715

The boarding duty is a most outrageous one - - - - - 25,779

It is a very exposed duty, and officers are sometimes employed on it for 43 hours without a break - - 25,780–1, 25,785–95

Some system should be devised by which the officers would be only required to work a reasonable number of hours, say eight a day - - - - 25,781

Express gratification at the Treasury having extended to them the concession of an eight hours' day in summer, and a seven hours' day in winter - - - 25,718–21

But would like some order on the subject in black and white which there would be no possibility of gainsaying in the future - 25,721

Also suggest that their increment should be increased from 1*l.* 10*s.* to 3*l.* - 25,722, 25,741, 25,772

Complain of the general loss of prospects suffered by the officers - - 25,723–7

A large portion of the clerical work is now done by outdoor officers - - - 25,725–7

Think that their class should not be employed so long as acting examining officers with such a small remuneration - 25,728–9, 25,735–6, 25,741, 25,775–9

Twenty per cent. of the Liverpool outdoor officers are continually employed in doing the examining officers' duty - 25,730–4, 25,775–7

Suggest that all vacancies for clerks should be open to competition amongst the outdoor officers - - - - 25,737

And that they should be eligible for promotion to collectorships and superintendentships - - - - 25,738

Vacant assistantships should be filled up - 25,739

And further that the entrance salary should be increased - - - 25,740–1

Summary of Evidence.

MESSRS. SMITH and GEORGE—*cont.*

At Liverpool, more than elsewhere, outdoor officers are given superior duty without remuneration - - - - 25,741–6
They do not object to the work but want to be paid for it - - - 25,747–56
Urge that they cannot live upon their salary 25,758–60
Those who are now in the service should have an immediate addition of 10*l.* to their salaries - - - - 25,760–61
Knew what the pay was when they entered the service, but in consequence of a reduction in the number of higher posts they have lost prospects of promotion - - 25,762–72
Wish classification to be abolished - - 25,774–5
If there is a report against a man's character he should be informed of it at the time so as to have an opportunity of defending himself - - - - 25,797
Now men are debarred from promotion on account of a mistake or accident which may have occurred 18 years ago - - 25,796–9
And they have no opportunity of defending themselves, not having been formally charged - - - - 25,801–2
Think that after two years the debarment should cease if the officer has for that period a good character - - - 25,803–4
In London, officers working in warehouses from 8 to 5 are paid for the extra hour, but officers in Liverpool are not - 25,805–7
Complain that copyists have recently been appointed to outport clerkships - - 25,807–8
Which appointments should be open for outdoor officers to compete for - - 25,807–8

MESSRS. STRICKLAND and McCLEERY.

Represent the Customs examining officers at Liverpool - - - - 25,809–10
In 1883 a new classification was given to Liverpool - - - - - 25,811
This consisted of 193 examining officers, 19 surveyors, and 2 inspectors - - 25,811
Since then the superior appointments have been reduced - - - - 25,811
And examining officers have to act as surveyors without drawing the salaries of surveyors - - - - 25,811–2
To act in a superior capacity used to be looked upon as a stepping stone to promotion - - - - 25,814
But the abuse of the system has now caused it to be looked upon as a way of reducing salaries - - - - - 25,814
In Liverpool 20 per cent. of the officers in the outdoor department are acting in superior appointments - - 25,812–3, 25,815–6
Propose that there should be another grade of staff officers at a less salary than the present surveyors - - - - 25,816–7
This grade should commence at 250*l.* and rise to 350*l.* - - - 25,817, 25,822
And that an examining officer should rise to a maximum of 250*l.* a year - - 25,816–7
And that an assistant should have an increment of 5*l.* instead of 3*l.* as at present - 25,816
Below the examining officers there are outdoor officers - - - - 25,819–20
In 1883 there were 214 examining officers, surveyors, and inspectors at maximum salaries of 55,820*l.* - - - - 25,823–38
Now there are 214 examining officers, surveyors, and inspectors at maximum salaries of 49,830*l.* - - - 25,823–38
Under the scheme proposed by the witnesses there would be the same number of officers at maximum salaries of 51,590*l.* - - 25,823–38
The basis of the scheme is that it increases the number of the principal officers, but reduces the cost to some extent - - 25,839–40
The hours of working should be limited to seven in winter and eight in summer, and when officers are required to work at abnormal hours, *i.e.*, before 8 a.m. or after 5 p.m. they should receive some compensation - - - - - 25,841–5
No time is allowed for meals - - 25,846–7
The work is now done by the overlapping system - - - - - - 25,848–54
That is, one officer attends from 7 a.m. till 3 p.m., and the other from 9 a.m. till 5 p.m. - - - - - 25,848, 25,853
But the difficulty of this is, that from 7 to 9 a.m. and 3 to 5 p.m. one officer has to do two officers' work - - 25,850, 25,853
The Sunday duty is a necessary evil in the Customs service - - - - 25,855
But unreasonable concessions have been made to shipping interests, which have added unnecessarily to the Sunday duties 25,855
Examining officers used to be paid 12*s.* a day by the merchants for the Sunday duty 25,855, 25,862
But two years ago this was abolished, and they now receive no extra payment - 25,855
25,863–9, 25,875–6
Unless they are specially ordered down for baggage duty - - - - 25,870–4
Some of this duty need not necessarily be done on Sunday, and if merchants had to pay for it, it would probably not be required - - - - 25,855–8
The outdoor officers are allowed 1*s.* every Sunday they are on duty - - - 25,860
If any complaint is made against an officer, he should be told of it at the time - 25,877–8, 25,883
Now he does not know till his increment is stopped, or something of that kind, which may be months afterwards - - 25,879–82
Thinks some allowance should be made them for travelling when they have to go to their work at very early hours before the ordinary conveyances are running - 25,884–90
Wish the uniform to be abolished, except where an officer is examining baggage on a passenger steamer - - - 25,891–99
It costs 4*l.* or 5*l.* a year - - - 25,892
And no allowance is made towards it - 25,893
Wish retirement to be compulsory at the age of 60, or after 40 years' service - 25,901–3

MESSRS. MAYSTON AND O'LOUGHLIN.

Represent the Customs examining officers at the outports, except Liverpool - - 25,904–5
Believe that their work is at any rate equal to that done by a Lower Division clerk - 25,907
Propose that the maximum of the second class shall be raised to 250*l.* - - 25,907–9
And that of the first class to 350*l.* - - 25,910
The want of promotion is a great drawback - 25,912
The change in their prospects has been caused by the abolition of many posts they naturally looked to - - - - 25,913–4
The collectorships and superintendentships should be thrown open to the whole service - - - 25,915, 25,976–7
This has been carried out to a very limited extent - - - - - - 25,915–7
In some ports the greater part of the duty the collector has to perform is really surveyor's work - - - - 25,977–8
The examining officers' duties are very various - - - - - 25,917
There is a great facility for fraud in the case of examining officers assessing duty for the collection of the revenue - - 25,918
As the check upon him is necessarily very limited - - - - - - 25,918–23
Do not think that men upon low salaries, acting or otherwise, should be employed on such duties - - - - 25,918, 25,924
The suggestion made by the Liverpool examining officers as to classification is very much the same as that made by the present witnesses - - - - - 25,925–36

MESSRS. MAYSTON AND O'LOUGHLIN—*cont.*

Recommend that there should be two classes of surveyors right through the United Kingdom, the second going up to 420*l.*, the first to 559*l.* - - - - - 25,937–41

The present maximum of a second class examining officer's salary is the same as the minimum of the first class - - 25,941-2

Thinks that there should be a difference between the two - - - - 25,943

The maximum of the assistant examining officer is higher than the minimum of the second class - - - - 25,944

The assistant examining officers' grade is a sort of consolation for outdoor officers who are unable to pass the competitive examination for examining officers - - 25,944–50

See no advantage in wearing uniform, except in the case of officers boarding ships - 25,951–4

Wish promotion to continue, as now, general throughout the service, and not confined to the different ports - - - 25,954–6

Any allowance given to London or other officers for travelling expenses should be granted solely as a travelling allowance, and should not count as salary - 25,956, 25,959–64

Witnesses have very little travelling - 25,957-8

Work performed between 6 and 8 a.m. should be paid at a higher rate - - 25,965–8

Retirement should be compulsory at 65, and at 60 if inefficient - - - - 25,970–2

Sunday duty is unavoidable - - 25,974–6

LIST OF WITNESSES.

	Page
Tuesday, 13th November 1888.	
Sir Algernon West, K.C.B.	1
Thursday, 22nd November 1888.	
Sir Algernon West, K.C.B.	13
Friday, 23rd November 1888.	
Mr. Herbert H. Murray, C.B.; Mr. Richard T. Prowse	22
The Right Hon. W. E. Gladstone, M.P.	32
Monday, 26th November 1888.	
Mr. Herbert H. Murray, C.B.; Mr. Richard T. Prowse	36
Tuesday, 27th November 1888.	
Mr. David P. Williams	48
Mr. James Fleming	55
Mr. William H. Hinks	58
Wednesday, 5th Decmber 1888.	
Sir Reginald E. Welby, K.C.B.	60
Sir William H. Melvill	67
Thursday, 6th December 1888.	
The Right Hon. Hugh C. E. Childers, M.P.	72
Sir Alfred Slade, Bart.	78
Tuesday, 11th December 1888.	
Dr. James Bell, F.R.S.	88
Mr. Charles John Follett	95
Thursday, 13th December 1888.	
Mr. Henry P. Gilbey	98
Mr. Richard Sedgwick	105
Thursday, 21st February 1889.	
Mr. Fletcher Norton	109
Mr. Thomas W. Clarke	115
Friday, 22nd February 1889.	
Mr. Daniel M. Matheson	120
Mr. James Scott	131
Wednesday, 27th February 1889.	
Mr. Robert Usher	136
Mr. Robert Brown	142
Thursday, 28th February 1889.	
Mr. Charles G. Barrett	150
Mr. Andrew Riddell	152
Mr. John Molineux, C.B.	157
Thursday, 7th March 1889.	
Mr. William H. Wills	162
Mr. Benjamin Biggs	168
Mr. Peter Hutchison	169
Friday, 8th March 1889.	
Messrs. H. W. Hunter, J. G. Cunningham, R. Crowe, W. H. Webster	173
Mr. James Anderson, Mr. Frederick Fisher	183
Monday, 11th March 1889.	
Mr. Frederick Blake, Mr. William L. Gough	189
Messrs. Thos. Cubbin, William Symons, M. Devereux	193
Mr. Daniel Moloney, Thomas A. Webb	200
Tuesday, 12th March 1889.	
Mr. G. M. Smith, Mr. Isaac George	204
Mr. John Strickland, Mr. J. C. McCleery	210
Mr. George Mayston, Mr. G. S. O'Loughlin	215

LIST OF WITNESSES,

ARRANGED ALPHABETICALLY.

	Page
Anderson, J.	183
Barrett, C. G.	150
Bell, Dr. J.	88
Biggs, B.	168
Blake, F.	189
Brown, R.	142
Childers, Right Hon. C. E.	72
Clarke, T. W.	115
Crowe, R.	173
Cubbin, T.	193
Cunningham, J. G.	173
Devereux, M.	193
Fisher, F.	183
Fleming, J.	55
Follet, C. J.	95
George, I.	204
Gilbey, H. P.	98
Gladstone, Right Hon. W. E.	32
Gough, W. L.	189
Hinks, W. H.	58
Hunter, H. W.	173
Hutchison, P.	169
McCleery, J. C.	210
Matheson, D. M.	120
Mayston, G.	215
Melvill, Sir W. H.	67
Molineux, J.	157
Moloney, D.	200
Murray, H. H.	22–36
Norton, F.	109
O'Loughlin, G. S.	215
Prowse, R. T.	22–36
Riddell, A.	152
Scott, J.	131
Sedgwick, R.	105
Slade, Sir A.	78
Smith, G. M.	204
Strickland, J.	210
Symons, W.	193
Usher, R.	136
Webb, T. A.	200
Webster, W. H.	173
Welby, Sir R. E.	60
West, Sir A.	1–13
Williams, D. P.	48
Wills, W. H.	162

LIST OF WITNESSES,

ARRANGED DEPARTMENTALLY, &c.

Inland Revenue.

Anderson, J.
Barrett, C. G.
Bell, Dr. J.
Blake, F.
Crowe, R.
Cunningham, F. G.
Fisher, F.
Gough, W. L.
Hunter, H. W.
Matheson, D. M.
Melvill, Sir W.
Molineux, J.
Norton, F.
Slade, Sir A.
Webster, W. H.
West, Sir A.

Customs.

Clarke, T. W.
Cubbin, T.
Devereux, M.
Fleming, J.
Follett, C. J.
George, I.
Hinks, W. H.
McCleery, J. C.
Mayston, G.

Customs—cont.

Moloney, D.
Murray, H. H.
O'Loughlin, G. S.
Prowse, R. T.
Riddell, A.
Scott, J.
Smith, G. M.
Strickland, J.
Symons, W.
Webb, T. A.
Williams, D. P.

Trade.

Biggs, B.
Brown, R.
Gilbey, H. P.
Hutchison, P.
Sedgwick, R.
Usher, R.
Wills, W. H.

Other Witnesses.

Childers, Rt. Hon. H. C. E.
Gladstone, Rt. Hon. W. E.
Welby, Sir R. E.

MINUTES OF EVIDENCE

TAKEN BEFORE

THE ROYAL COMMISSION

ON

CIVIL ESTABLISHMENTS.

FIFTY-NINTH DAY.

7, Whitehall Place, Westminster, S.W., Tuesday, November 13th, 1888.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

EARL BROWNLOW.	Mr. A. S. HARVEY.
LORD LINGEN, K.C.B.	Mr. R. W. HANBURY, M.P.
Rt. Hon. H. H. FOWLER, M.P.	Mr. H. L. W. LAWSON, M.P.
Mr. J. CLEGHORN.	Mr. MACLURE, M.P.

Mr. H. WALPOLE, C.B., *Secretary.*

Sir ALGERNON WEST, K.C.B., called and examined.

Sir A. West, K.C.B.
13 Nov. 1888.

20,602. (*Chairman.*) Perhaps it would be the best plan to ask you to state to the Commission first the amount of revenue collected by the Inland Revenue Department, and then the staff with which it is done?—In the last year 1887-88, we collected 57,461,377*l.* That amount was collected by an established staff of about 5,600 officers at a cost of 3*l.* 8*s.* 0*d.* per cent.

20,603. That is the net produce of all the Excise and Taxes?—Yes.

20,604. And then the charges for collection, as given in the last return to Parliament, are 1,886,800*l.*?—Yes.

20,605. A note to that return explains what those charges include?—Yes, that note is quite correct.

20,606. Does that total of net produce include the sums collected by you on behalf of the Customs, or is that your own proper revenue, so to speak, collected for your own purposes?—That is more than we collected; it is our own proper revenue, adding to it what the Customs collected for us.

20,607. In the same way the charge for collection includes the charge for collecting on behalf of the Customs whatever you collect on their behalf?—Yes.

20,608. You cannot give a more correct definition of the revenue which you collect than the three headings of Excise, Stamps, and Taxes?—That is it, broadly.

20,609. Can you give us a summary of the way in which you collect the revenue; that is of the nature of both the head establishment and the outdoor establishment?—As you have said, the way we technically divide the three sources of revenue, in common talk, is always Stamps, Taxes, and Excise; and I understand you wish to know how that is divided amongst our officers. I thought the simplest way of answering that question would be to tell you what are the duties of the Excise service first of all, and to show you how the Excise, the Stamps, and the Taxes have been interwoven together subsequently to the amalgamation of 1849.

20,610. (*Mr. Hanbury.*) Will you please explain first what you mean by Excise proper, what you mean by Stamps proper, and what you mean by Taxes proper?—Excise duty proper consists in the charging of duty on beer, spirits, railways, chicory and coffee labels (a very small thing); clubs (we have to deal with what are commonly called bogus clubs); illicit distillation; hotels (that means for the purposes of the valuation of licenses); then there come in the list before me a mass of licenses which I will read over quickly.

20,611. May we take it generally all licenses?—All licenses, with one or two exceptions, such as bankers' licenses.

20,612. Do you call that Excise?—I call that all Excise.

20,613. You mean not only a licensed victualler, but licensed brewers and a licensed broker; is that Excise?—I think I am correct in saying every license, with the above exceptions.

20,614. (*Chairman.*) Not establishment licenses?—Yes.

20,615. Do not they come under taxes?—No, they come under what we call excise; they are collected by our Excise officers.

20,616. (*Mr. Maclure.*) Are not there a number of licenses that are collected by the Post Office?—Yes. Passing from that list of licenses, the Excise officers have to inspect magistrates' certificates without which publicans' licenses cannot be granted; they have to collect the railway passenger duty; they have of course everything regarding all the operations connected with spirits and with beer; they have to see as to sugar where it is used in brewing; they have to see to the Exciseable liquors sold in theatres; and they also have to settle the valuation of public-houses for purposes of licenses. Those are the principal headings that I have given you. I have not told you in that purposely how it is interwoven with Stamp duties and with Taxes. I will now proceed to tell you how the duties of an Excise officer are interwoven. Besides those things that I have mentioned the Excise officer collects the income tax under Schedules D. and E., in most of the first-class towns in the kingdom. I think the Commission is well aware of how that matter stands. There have been several attempts made in Parliament to cause the profits under Schedule D. and the duties arising therefrom to be collected by the Inland Revenue officers. That question has been repeatedly before the House of Commons, but it has always been either with-

Sir A. West, K.C.B.

13 Nov. 1888.

drawn or defeated. By the law the General Commissioners of Income Tax are empowered to ask us to collect the Schedule D. for them, and in consequence of that all the first-class towns, except those very notable exceptions, Birmingham and London, have asked us to collect this income tax, and therefore the duty of the Excise officers in those large towns is to collect the income tax.

20,617. (*Lord Lingen.*) Are the Commissioners at Somerset House, of whom you speak, those who are called "Special Commissioners?—No. Besides that the Excise officers have to collect the agricultural statistics throughout the country, and by Act of Parliament they have to collect all the corn returns in all the market towns of England. They have also to deal, for the purposes of the Legacy and Succession Duty, with all estates under 300*l.* Under the Act of 1881, when a person dies the executor of that person may go to an Excise officer and, say "This estate is under 300*l.*, let me pay 30*s.*, and let "me have done with it there and then, and you must fill "up the form and do all the rest of the duty." Besides that part of the work which is done under Act of Parliament, all inquiries connected with death duties are performed by our Excise officers. For instance, we have in our legacy department a statement that so and so has died and left no effects or anything of any value. In that case a reference is made to the Excise officer who has to go and see the people, and make inquiries whether the statement is true and enter it properly and so forth. They also have to sell stamps at all the collectors' offices. Then they have to receive documents for stamping, which I will explain in this way. We stamp of course in London largely and mainly, but lately we have been pressed, and have yielded to it, to establish stamping presses at some of the great towns such as Liverpool, Glasgow, and Manchester. Now when anybody brings a document to our collector anywhere and says, "I want this stamped," we take it from them, send it up to London, and the next day it goes back to them stamped. They also have to deal with what I call spoilt stamps; a man has a stamped document over which he spills a bottle of ink; that is brought to the collector, and it has to be destroyed by a process which I need not explain. An allowance is made to the man or he is allowed to get another stamp. Then besides what I have mentioned they have to survey all tobacco manufactories. Of course they have always had to do that with a view of detecting adulteration; but now, as you are aware, by the Act of last year the moisture which may be put into tobacco is limited and therefore they have constantly to investigate the tobacco which is being manufactured throughout the country, because the guarding of the tobacco revenue is entirely in the hands of the Inland Revenue. They have to take samples of almost every package of tobacco to know that the moisture is not exceeded.

20,618. (*Mr. Cleghorn.*) Do you mean they visit the manufacturing establishments?—Yes. To proceed with their duties, they have to detect all illicit spirits throughout the country, and they have to detect all adulteration or dilution of beer by all the publicans. They have to conduct all prosecutions that are not sufficiently important for us to send down a special solicitor for.

20,619. (*Lord Lingen.*) Can they employ a local solicitor without reference to head quarters?—No. They have to value public-houses; they have to supply our surveyors of taxes with all particulars of the manufacture of exciseable goods. In that way the surveyor is enabled under the direction of the local Commissioners to say such and such a brewer brews so many barrels of beer, and this forms a guide in assessing his Income tax. They have to receive all duties under every head of our revenue—anything that is brought in payment of taxes in any way or in any kind or for any licenses has to be received by the Excise service. I think those are, as far as I can explain shortly, the duties of the Excise service.

20,620. When you say receive the duties, is the class of collectors the only persons who receive them, or may a supervisor or divisional officer receive them as well?—The collector is, as a matter of fact, the receiver, but a supervisor may receive duties and remit the amount to his collector.

20,621. (*Mr. Maclure.*) You mentioned that you had the whole of the railway passenger duty to collect. I think that is all done by a simple return from the railway company, is not it, without any trouble to the department—I mean to say one clerk could do the whole work in about a dozen hours a year?—I am very glad to hear you say we do not cause the Companies any trouble, but it is a most troublesome work for us to perform.

20,622. It is a monthly thing?—Yes. I do not want to exaggerate it, but I was asked to give the duties. I did not say which were important and which were not.

20,623. It is a very large item of income that is received from this duty, is not it?—No; it is about 340,000*l.*, what we should call a small item. It forms the chief duty of a couple of clerks.

20,624. (*Mr. Fowler.*) What you mean I take to be this, that with reference to the "Stamps" branch, their own title tells us what they mean; that is, the stamps upon documents; and "Taxes" means the land tax, the income tax, and the inhabited house duty; and all the rest of the Inland Revenue is, for the purpose of your nomenclature, called "Excise"?—That is it.

20,625. (*Chairman.*) All the receipts which come into your hands at the Inland Revenue come practically through your collectors?—Yes, and to some extent through the Post Office.

20,626. Indiscriminately as to what kind of revenue it is?—Quite indiscriminately, as far as its coming up in money; of course the accounts are kept discriminately.

20,627. I mean that the individual officer in the country reponsible to you, who collects, receives indiscriminately money for the spirit licenses and all kinds of things?—Yes.

20,628. With what exceptions? The Post Office, for instance, receives certain establishment licenses?—Quite so. The Post Office does a great deal for us. They receive, as you say, a portion of the establishment licenses. I think you all know what establishment licenses mean.

20,629. (*Mr. Fowler.*) The old assessed taxes?—Yes. They receive them, and we have extended, with the help of the Post Office, these operations, so that if you have a demand from the parochial or Inland Revenue collector showing that your income tax amounts to 7*l.* 8*s.* 4*d.*, upon your producing that to the Post Office, the Post Office will furnish you with a free post office order.

20,630. (*Mr. Cleghorn.*) For transmission to London?—Yes. That is done at all post offices—I should rather say all money order offices. I do not think it is quite all post offices.

20,631. (*Chairman.*) A man would get a money order, in fact, in lieu of a stamp for a certain amount of income tax which is due?—Yes, and it is adjusted between the Post Office and our books at Somerset House.

20,632. The Post Office, as I understand it, does not undertake any responsibility as to the correctness of the establishment licenses or the amount of the income tax; is the responsibility for the accuracy of that with some officer of yours?—Yes.

20,633. (*Mr. Maclure.*) I think what the Chairman meant is this, that the Post Office does only the clerical work. That is, when I take out my own license I go to them and fill up a form, and I say, "Two dogs;" it does not matter to my postmaster whether I have got half-a-dozen. It is your officer who looks after that?—Quite so; the postmaster takes what is offered him.

20,634. He takes what is offered him perfunctorily, and you have to see to its correctness?—Exactly.

20,635. (*Chairman.*) A post office official at any particular town is merely a means of receiving the money in a convenient form for the public?—That is so.

20,636. I do not understand that the post office official exercises any judgment or discretion, or assumes any responsibility as to the amount being correct which is certified upon the paper?—None whatever.

20,637. (*Mr. Cleghorn.*) In many towns there is also an officer of the Inland Revenue who collects taxes in addition to the Post Office, is not there?—Yes.

20,638. (*Chairman:*) Is there anything else that the post office official does for you?—He gives free post office orders, and he gives out licenses, but I am not aware at the moment of anything else.

20,639. (*Mr. Maclure.*) They sell stamps for you at some post offices, do not they?—The Inland Revenue

and post office stamps are now identical, so of course they sell them both.

20,640. Some post offices sell exchange stamps, do not they?—Yes, in many towns postmasters act as Distributors of Stamps.

20,641. (*Chairman.*) Putting aside for the moment what is done for you by the Customs, is there any other work of yours connected with the collection of the revenue which is done for you by any other department of the Government except the Post Office?—No.

20,642. (*Mr. Maclure.*) I think you have very material assistance from the police, have you not, in taxing some districts?—In some districts the police help us in the discovery of gun and dog license evasions.

20,643. And they also help you on the question of selling beer without a license, do not they?—That has nothing to do with revenue; they help in detection, but not in the collection of revenue in any way.

20,644. (*Chairman.*) The gist of your remarks as regards this staff for collection, I think, comes to this, that since the date of the fusion of the Stamps and Taxes with the Excise in 1849 there is now a complete fusion as regards the officers for collecting?—Yes.

20,645. Is there a complete fusion as regards headquarters?—I think I may say absolutely complete, below the rank of Assistant Secretary in our office. We have not been able ever to fuse; we have not in fact thought it advisable to fuse quite the head men, and there are a head Secretary for Excise, a head Secretary for stamps and taxes, and Assistant Secretaries. We have always thought it wiser when he gets quite to the top that the man should devote his attention to the special branches.

20,646. (*Mr. Fowler.*) Just take that a little higher and apply that question also to the Board; have you a separate Commissioner for each separate branch?—No. I ought to go on, I think, with your question still. I have now explained to you to the best of my power what the duties of Excise are, and how they are interlapped with Taxes and with Stamps, but I should not complete that without telling you what are the duties of the surveyors of taxes who are not interwoven in any way. Their duties are, in our opinion, so important and so difficult that we have never thought of mixing them up in any way with any other duties beyond those of surveyors of taxes.

20,647. Let us first have the hierarchy of officials in their order, and let us begin with the Board. What does your Board consist of?—It consists of a Chairman, a deputy Chairman, and three Commissioners.

20,648. I believe that it once consisted of seven commissioners, but you have abolished four?—Yes.

20,649. So that there are only three Commissioners now who receive from the Consolidated Fund 1,200*l.* a year, a deputy Chairman who receives 1,500*l.* a year, and the Chairman who receives 2,000*l.* a year?—That is it. Broadly the duty of the Board is to superintend the whole of the collection of this great revenue. That is rather a platitude perhaps, and therefore I had perhaps better try to describe what we do each day. We divide the duties into what we call (I do not know why) various "committees." That means one of the Commissioners has been called for all time a "committee." The duty at the beginning of the day will be for each Commissioner, in his private room, to receive all the superior officers of Somerset House under the chief Secretaries. The work varies from week to week, whether the Commissioner takes Excise, or whether he takes Stamps, or whether he takes Taxes, or whether he takes miscellaneous work. In this way, between 11 and 12, the Commissioners will deal with the Assistant Secretaries and the chief clerks, in such matters as are not considered of sufficient importance to be dealt with at the Board. I will take the simplest case I can that they have to deal with—cases of prosecutions for dogs. In such matters by law no Information can be directed against any person without the direct order of a Commissioner. I have given you that as the lowest class of work, because after all it is not very important, except that they have to consider what the circumstances are, whether there should be an Information, or whether a compromise fine should be taken.

20,650. (*Mr. Lawson.*) Is the assent of the Commissioners obtained in every case?—They do not go actually into every case. The Committee clerk who has brought it to the Commissioner will have read the papers through. The process is this. He will have read through very likely a hundred papers, and he will have said, in 80 of these "there is nothing out of the common; it is the "commonest case in the world, and it is merely a case "for Information;" but we will say 20 of them are of a different nature. A person has given some excuse, or some reasons, and the Committee clerk will say, "You "must look into that and see whether there is to be an "Information." That is only dealing with the Informations. Each of these Commissioners will go through the work connected with a particular thing in Excise—and I have given you all the different headings—in fact anything that may turn up in the day till 12 o'clock.

20,651. (*Lord Lingen.*) One question about those Informations. Does the Solicitor appear in any part of that story, or are they only Excise officers in your own department who would come to the Commissioners?—The Solicitor would not have appeared at present. When the order for the Information goes out, in the majority of cases it goes to the Solicitor's department to prepare the Information.

20,652. Then it would be decided to proceed with an Information, or not to proceed with one before the case was referred to the solicitor?—Certainly; of course the Commissioner would be at liberty if he was in doubt to send up to the Solicitor and say, "Is this evidence "sufficient, do you think."

20,653. (*Mr. Maclure.*) I believe that in the ordinary prosecutions for keeping a dog without a license no Solicitor appears?—No Solicitor appears.

20,654. Your officer, the supervisor, appears before the court and sometimes brings on 60 cases at a time?—Yes.

20,655. And sometimes most frivolous complaints have been made about keeping a dog without a license. It is then always said, "If you have any doubt you can "bring it before the Board;" do you say that it has been before the Board previous to coming before the magistrates, and that then it goes before the Board again when it has been proved before the magistrates to have been a case that ought not to have been brought up? A magistrate is bound to fine a man if he keeps a dog without having a license although that dog may have only followed him a month before, because the law says you shall fine him?—I cannot admit on the part of my own department that that is frivolous; the man has got a dog, and he has not got a license, and it is our duty to prosecute him.

20,656. (*Mr. Fowler.*) May I suggest that we avoid illustrations, or we shall get into endless detail?—Very well. I will tell you broadly that each Commissioner deals with the papers connected with all the subjects I have read out to you (Stamps, Taxes, and Excise) in committee in the morning.

20,657. That is up to 12 o'clock?—Yes. Then perhaps you will ask me what my duties are. Many of you are aware what my duties are out of Somerset House with the Treasury and with the Chancellor of the Exchequer; in Somerset House my day would commence by anybody in the office such as the chief Secretaries and the chief Inspectors coming to me in the morning before the Board meets, upon any detail that may arise connected, for instance, with the establishment. You can imagine what that would be with a very large establishment.

20,658. You do not form a committee?—I do not form a committee.

20,659. Does the deputy Chairman form a committee?—No.

20,660. Then the three Commissioners form three committees, and the deputy Chairman and the Chairman are quite outside of those committees?—They are quite outside. The principal duty of the deputy Chairman, as far as we divide it, is this: No case involving a sentence on the discipline of an officer is passed unless it has been read by myself or my deputy; no man would ever be dismissed without the whole papers having been read through by myself or by my deputy. Those are my duties up till 12 o'clock. At 12 o'clock we meet at the Board on every day in the year, except on the statutory holidays. There are bound to be three present at the Board. Some acts cannot be performed legally without the presence of three; for instance, we cannot dismiss an officer without the signatures of three, and when we report to the Treasury the report must always be signed by three, although I do not think that is required by law. The duties of the Board are very multifarious. All the important part of those various duties that I have attempted to describe come to be discussed before the Board by the Secretaries, who take it in turn. We have

Sir A. West, K.C.B.
13 Nov. 1888.

two Secretaries every day, one from each side, that is the chief Secretary of Excise and the assistant Secretary of Stamps and Taxes one day, and the next day the chief Secretaries of Stamps and Taxes and the assistant Secretary of Excise.

20,661. (*Chairman.*) In your nomenclature you still recognise different sides in the office?—Certainly above the rank of committee clerks. Those duties take on an average about an hour and a half in the day, but of course they are sometimes shorter and sometimes longer. That takes us till about half-past one or two generally. Then I need not say that everybody is supposed to go to his room, and we do not sit in the Board room any more till three o'clock. There are various things, a great many signings, a great many warrants, a great many various papers that crop up in different parts of the office which are dealt with by the Commissioners, or by myself, and at three o'clock the Board, without the Chairman or the deputy-Chairman, that is the three Commissioners only, would meet and go through any cases of minor importance that had arisen in the course of the day. Therefore they dispose of anything on the same day that it has come in. I am afraid that does not describe really what the work is; it is very difficult to describe the work in a great department.

20,662. (*Mr. Lawson.*) Is there any regular principle of division of work among the three Commissioners with regard to the signing?—Yes, week by week there is a paper put up in the Board room, and one Commissioner would take a certain duty one week and change it the next week, and therefore perpetually round and round he deals with everything.

20,663. (*Mr. Fowler.*) Let us go on in order, and before we leave the Commissioners, having regard to our inquiry, which really is the amalgamation of the Customs and the Inland Revenue, should not you now tell us how you think that your Chairman and deputy Chairman and three Commissioners could discharge in addition the duties which at present are discharged by the Chairman and deputy Chairman and the Commissioner of the Customs?—I have never said that.

20,664. I do not imply that you have. I want you to deal in your own way with the point of the amalgamation, so far as it affects the head of the establishment now, not for us to have to come back again to it. We are now on the Commissioners' work. Of course you may suggest to us, which I think you very probably would suggest, that there should be an increase in the number of Commissioners?—I must be very careful because I am dealing with other departments to a certain extent; and therefore I am very anxious that nothing I shall say should in any way exaggerate my own work and diminish the work of others.

20,665. I can quite see your difficulty. But might we ask you, in the first instance, whether you think it would be competent for the present Board of Inland Revenue to have added to it the duties of the present Board of Customs?—Supposing such a thing to be done I think it would be very rash indeed to say that the Board of Inland Revenue to-morrow could deal with the work of the Customs. My idea of an amalgamation would be a fusion, taking the men of experience from the Customs who would at first almost entirely deal with Customs matters, until we are able to learn what the Customs duties are. If you will allow me I should like here to state a matter which I think springs entirely from your question. Just now, having told you of the 56,000,000*l.*, speaking in round figures, I said this: "That amount is collected by an established "staff (this is Inland Revenue proper) of about 5,600 "officers, at a cost of 3*l.* 8*s.* per cent." The Board of Customs in one year 1886–7 (I am obliged to go back to that date—their report is not out for last year yet, but that is very immaterial for this purpose) collected a net revenue of about 20,000,000*l.* They have an establishment of about 4,500 officers and the cost of their collection was about 4*l.* 6*s.* 8*d.* per cent.

20,666. (*Lord Lingen.*) I should like to ask you now upon that point, this question: Is it not true that a considerable part of the Board of Customs duty is concerned with matters which do not yield revenue?—Certainly; of course I am coming to that. I ought perhaps to have preceded my remarks by saying that for the moment I am dealing entirely with the question of revenue. This is, to my mind, the important thing. Of the 56,000,000*l.* collected by the Inland Revenue, it is estimated that about 11,000,000*l.* or about 20 per cent. is collected through warehouses, leaving 44,000,000*l.* to be collected from other sources. Of the 20,000,000*l.* collected by the Customs, very nearly 19½ millions or 97 per cent. was collected in respect wareshoued of goods, leaving 460,000*l.* only to be collected from other sources.

20,667. (*Mr. Maclure.*) That 460,000*l.* means such things as collections made at ports like Dover and Folkestone, does not it?—I presume so. The total sums collected by both Boards from goods in warehouses would therefore amount to about 30,000,000*l.* a year. I do not know whether I ought here to go on and say what I can say if I am to argue the question of amalgamation, viz., that this vast sum of revenue is collected from warehouses which both Boards and both sets of officers are equally competent to deal with.

20,668. (*Mr. Fowler.*) I do not think we have got to that; we have commenced at the head of the staff; you say this large revenue (no matter where it is derived from) of 56,000,000*l.*, is supervised by five great officers of State, so to speak. Now in considering a proposition that the large revenue of the Customs should be put under the control of one body, do you suggest (of course subject to all the modifications which you have alluded to, such as time for learning the business) that a Board, consisting of a Chairman and deputy Chairman and three Commissioners would be sufficient to control and supervise the collection of the Inland Revenue also eventually?—I have some hesitation in giving an answer to that, because it looks as if it was an attack upon another office: that is my great difficulty. I may, however, say it is distinctly my opinion that one Board, I particularly avoid saying our Board, but that one amalgamated Board with a head, and to give a certain amount of latitude I will say another Commissioner, I would say four Commissioners would be perfectly able to deal with the administration of this department.

20,669. (*Chairman.*) The collection of the whole revenue of the country should be in the hands of such a Board as you have mentioned?—Yes.

20,670. (*Mr. Hanbury.*) Of six persons as against nine?—Yes. I should like to put it very carefully that there is no question of personality in the matter. For instance, I might be abolished to-morrow, and it might go to a Board of the Customs.

20,671. We might assume that the Customs would be the Inland Revenue, instead of the Inland Revenue the Customs?—Quite so.

20,672. (*Mr. Fowler.*) You are of opinion that one Board could do the whole, but you reserve to yourself the right hereafter to consider of what number of men that Board should consist?—Yes. I will go this far, that one Chairman, I believe, and perhaps at the beginning of a great and extensive change like this, two deputy Chairmen, one coming from the Inland Revenue or from the Customs, whichever it might be, would be necessary. But if you ask me what the future constitution might be (I will say in five years time, because all these economies would be prospective) I should say one Board with a Chairman and a deputy Chairman, and (leaving it perhaps rather vague) three or four Commissioners, I will put it, would be perfectly capable of dealing with this revenue. My reason is this: That out of the 20,000,000*l.* of Customs collected, 97 per cent. of that duty, as I have already remarked, is absolutely homogeneous. Of course I am only dealing with the revenue, not other duties as yet. If you were to say to-morrow that the Board of Inland Revenue was to take over the administration of all the warehouses in the country I think it would lead to no difficulty whatever. I do not say that it would diminish the number of officers, but I say that the Board could to-morrow take over the administration without the slightest additional trouble beyond an increased amount of correspondence, as the principle of the thing is exactly the same.

20,673. You mean to say that with regard to all the warehouses for Government revenue purposes it would be exactly the same?—Exactly; and it would add nothing to my work.

20,674. (*Mr. Lawson.*) You do not say it would not diminish the number of officers?—I do not say it would not. I particularly want to guard myself on that point.

20,675. (*Chairman.*) Having dealt with the Board, perhaps we had better proceed with the other officers?—Very well. Then I suppose the next thing would be to attempt to explain to the Commission what has been the history and the present state of the warehousing system.

20,676. (*Mr. Lawson.*) Is there any means of knowing whether it would be possible for the Board to sit together in one place or whether there would have to be two places for the Commissioners to meet?—One board could sit in one place.

20,677. That is contradicted, of course, by the Customs. The Customs say it is not possible, you could not have a Board sitting at Somerset House directing the Customs House?—May I answer that by asking one question, which is this: If it is so necessary to have a Board sitting at the Customs House to deal with Customs matters, how is it possible that the Customs business at Liverpool (it is not as great as in London, but it is an enormous business) can be conducted without a Board sitting there? That is a question I should like to have answered, though it is not for me to put it.

20,678. (*Chairman.*) But your answer to Mr. Lawson's question is distinctly that in your opinion the united Board (whatever character it might be), if responsible for the whole revenue of the country in the same way as the Inland Revenue Board is now for the Inland Revenue, could do the work?—Certainly.

20,679. (*Mr. Lawson.*) And I suppose there will be no difficulty in one Commissioner, we will say, going down to the Customs House after sitting at the Board or at a committee?—There could be no difficulty. At first it might be quite possible to hold the Board on one day at one place and on another day at the other place.

20,680. (*Lord Lingen.*) I think we had better take them by classes. Perhaps you will consider now the Secretaries and assistant Secretaries. I notice that the Customs have the same officers, a Secretary, an assistant Secretary, and also three committee clerks. I apprehend that the Secretary, assistant Secretary, and three committee clerks, at the Customs, making up five officers, are doing about similar duties to the six officers which with you are called Secretaries and assistant Secretaries; is that so?—I imagine so.

20,681. (*Chairman.*) Will you please tell us what your Secretaries do?—I think the best answer I can give you as to why I think the duties can be amalgamated is that all amalgamations in the past have led to economy.

20,682. Forgive me, that is a very general question. If you think there is nothing to be said about Secretaries let us get on with your description?—I think our Secretaries can devolve a certain amount of work. So do I say of the Board. I do not doubt that a certain amount of work from the highest may gradually be devolved lower down. If more important work comes to the Board at a certain time than at another, then less important work may gradually filter down into the lower stratification of our office.

20,683. You have two Secretaries; do they take separate sides of the office?—They do.

20,684. We understand pretty well what a Secretary of such a Board must be; one of them practically looks after the business of the Stamps and Taxes and the other of the Excise?—Yes.

20,685. As you have told us, the head offices are not so thoroughly amalgamated as the offices below?—That is so.

20,686. The assistant Secretaries help the Secretaries?—Yes.

20,687. Then as you say, the work filters upwards in proportion to its importance; it is dealt with immediately by the Secretary or principal clerks and so goes upwards?—Yes. Now, with a view to the Secretaries, I think you wish me to keep to that. I should say it is quite possible, and I always want it to be understood that either Secretary, whether it is Customs or Inland Revenue, could perfectly, with his Excise duties and without any really great increase of work, deal with the whole question of warehousing, and that, as I say, disposes of 97 per cent. of the revenue collected by the Customs. I do not want to say that our Secretary could take it, but that one Secretary could do it.

20,688. (*Mr. Fowler.*) You have two Secretaries and four assistant Secretaries; would it be possible for a secretariat, consisting of a staff of six, to discharge the duties of both the Inland Revenue and Customs duties?—I do not think it is necessary that I should say for the sake of my argument that a secretariat of six would be able to do the duty. If you would put the two secretariats together and see what they amount to, and then ask me whether a diminution of numbers could not do the work, I think that would be fair.

20,689. (*Chairman.*) I think Mr. Fowler is not looking at it from the point of economy, but that he is looking at it from the point of efficiency. Observing, now, that you have two Secretaries in your secretariat department, is it your opinion that as heads they would be competent to transact all the business that you expect would come to a united Board if the warehouses of the Customs were added to your work?—Yes.

20,690. (*Lord Lingen.*) I should like to put, on this point, this consideration before you: up to a certain extent it is perfectly fair to say that 97 per cent. of the Customs revenue is collected from warehouses, and that that 97 per cent. does not contain any material difference between itself and the the work that is now done by the Inland Revenue, but a very large portion of the Customs administration, the great majority of it in fact, happens before the goods get into warehouses. All the despatch of ships, all the receipt of ships, all the statistics of commerce, all the protection of the revenue on dutiable articles, all that is done at the waterside before the goods get into the warehouse at all, and therefore in talking of the amalgamation we must remember that the nineteen millions of Customs revenue which gets into the warehouse is the outcome of and exists side by side with a vast mass of other work?—Of course I am aware of that, and I was prepared to come to that later. I was dealing for the moment, rightly or wrongly, with the revenue aspect of the question.

20,691. Then, too, the Secretary of the Customs has to deal not only with the Customs revenue but with the whole of the Customs administration?—Clearly.

20,692. (*Chairman.*) If we have said sufficient about the Secretaries office, what is the Surveyor-General? I leave out for the moment the clerks, which is a question of detail into which we need not now enter. I see in a note that the Surveyor-General is also a special Commissioner of income tax, but without salary?—That is an office that has been abolished for some time.

20,693. (*Lord Lingen.*) In the Estimates of 1888–89 he is gone?—Yes.

20,694. (*Mr. Fowler.*) Who is the next in rank below the Secretaries?—The Solicitor's office would come next. The Solicitor, Sir William Melvill, has, at my request, drawn up a paper, which I should like to hand in to the Commission, showing, in his opinion, the vast advantages that would accrue in legislation by an amalgamation; it is a very technical paper (*handing in same*).

20,695. (*Chairman.*) Would you state in one sentence what the gist of it is?—He is practically of opinion that one Solicitor is amply sufficient to deal with the questions of Customs and of Inland Revenue.

20,696. Is this Solicitor a gentleman who gives his whole time to the Government?—Yes. His paper is full of quantities of anomalies that exist owing to having the law drawn up by two Boards and two Solicitors. The practice at the Treasury, as Lord Lingen will perhaps recollect, is that when a Budget Bill, which is commonly called a Customs and Inland Revenue Bill, is introduced I am responsible for producing it, the Solicitor being the draughtsman. We collect from the Customs Solicitor that part which bears on Customs duties, and incorporate it into the Bill. Our Solicitor is very strongly of opinion that all these diverse enactments relating to the duty on foreign spirits and British spirits and foreign plate and British plate, and all these things would be enormously simplified by being under the direction of one Board.

20,697. (*Mr. Fowler.*) In the memorandum you have sent in to the Commission you do not state what is the gross cost of the Solicitor's department, although you state that the Secretary's office is 30,000*l.*, and the Controller's office 43,000*l.*; why is that?—I think it is 22,000*l.*, which includes the establishments at Dublin and Edinburgh.

20,698. If that is what it costs that would no doubt cover all the legal expenses of the Customs too?—At any rate one Solicitor would be ample for the two.

20,699. (*Chairman.*) Do you endorse the opinion of the solicitor given in his memorandum?—Entirely.

20,700. Have you personally, in preparing Bills for the Chancellor of the Exchequer, experienced any inconvenience in having to collect your materials from two Solicitors?—Yes, very great inconvenience.

Sir A. West, K.C.B.

13 Nov 1888.

20,701. To go on with the list of officials given in your return; I do not think we need ask you anything about the Legacy and Succession Duty Office?—No, I think not; it is apart from this question.

20,702. Is there any other principal department which is concerned with the Customs?—Yes, there is the Receiver-General.

20,703. (*Lord Lingen.*) Is the Receiver-General a necessary person in the Inland Revenue now?—Not the least.

20,704. Could not he and his department both be swept away?—Certainly; but I do not mean by that to say that the duties performed by the clerks in his office would not have to be done by somebody else. My idea is that they would be done by a collector.

20,705. (*Chrirman.*) What does the Receiver-Genera do?—He receives duties paid at the chief office, pays salaries, &c.

20,706. (*Mr. Harvey.*) In your view the receipt of cash at Somerset House does not involve a special organisation for the receipt of money?—That is so, and in the event of a vacancy in the office I should not feel it my duty to recommend its being filled up.

20,707. (*Mr. Lawson.*) The corresponding officer in the Customs is a collector, I believe?—I believe so.

20,708. (*Mr. Cleghorn.*) That would apply to the deputy receiver as well, I presume?—Yes; the next great officer is the Accountant and Comptroller-General. There, again, I should not hesitate for a moment to say that one Accountant and Comptroller-General would be amply sufficient to control the very much simplified accounts that would come were the administration united.

20,709. (*Chairman.*) How would they be very much simplified?—Because there are a great many accounts that pass between the Customs and our Board, and between our Board and the Customs, and there would be a great simplification in them. We receive duties for the Customs, and the Customs receive duties for us, and all those are matters of account. The next office we come to would be that of the Chief Inspector of Excise. No doubt a great interweaving there would create great economy. I do not know what the duties of the Chief Inspector of Customs would be, and therefore I think I ought not to speak of what can be done there.

20,710. Perhaps it would be better now if you were to explain shortly what is the duty of the Chief Inspector of Excise and the other officers of Excise?—The Chief Inspector of Excise is mainly responsible to us as a Board for the whole discipline of the service. He would generally be consulted in all matters of promotion, of removal, of putting different officers to different duties, of reviewing all the reports of our travelling Inspectors, all the reports from the collectors, and the general supervision of the whole Excise service.

20,711. (*Mr. Maclure.*) Does he now visit the provincial centres. I will take the district I know. Does he visit Hull and Grimsby, Manchester and Liverpool, all of which are separate departments?—That would not be specially his duty.

20,712. Would he not go personally to see them?—He would not generally. I get the reports brought to me from the inspectors, and in any difficulty I should say: "This is a very difficult case, and I cannot get at "the truth of this; one collector says one thing and "another another; I wish you would go down and look "into it yourself." Then he goes, but it is not in his routine of work.

20,713. It is not his duty?—It is not his duty. His duty is to sit in the head office and to collect all the books and all the work of all the other inspectors.

20,714. (*Chairman.*) The Chief Inspector of Stamps and Taxes, I suppose, is a corresponding officer with regard to Stamps and Taxes?—Yes, and would not be affected in any way by amalgamation that I can see.

20,715. Neither one nor the other?—Neither one nor the other. I now come to the laboratory, which is a most important part. I should like to hand in here a report from the principal of our laboratory, Dr. Bell, showing the very great advantages that would accrue from amalgamation. [*Handing in same.*] I may tell you that the chief of the laboratory is also the reference analyser for all Government purposes under the Food and Drugs Act; he analyses all articles for the Board of Trade, such as lime-juice and other commodities that the Board of Trade use, he analyses all the samples of beer for export, all the spirits, and all the tobacco. There is, I believe, another laboratory in the Customs, and there are in nine places in the country two chemical or analytical departments, one man sitting in one office and another in another office representing the Customs and Inland Revenue.

20,716. (*Mr. Lawson.*) In the Customs list there does not seem to be any head of a laboratory?—You will find in the Estimates that there is a charge for the chemical office. There is a chemist, because we have had a very bitter experience of the diversities of opinion between the two chemical officers, but the Customs Laboratory officers all rank in the outdoor department. Dr. Bell goes very fully into the advantages that would arise from having one chemical head instead of having two.

20,717. (*Chairman.*) Could you give us from your own experience an instance to illustrate the inconvenience that you, as head of the Inland Revenue, have felt from the fact of having two chemical officers?—I can give you an instance which gave us very great trouble. I have forgotten the year, but when Mr. Childers was Chancellor of the Exchequer there arose a great demand in the country for a special kind of cigarettes. A large consignment of these cigarettes was detained by the Customs because their chemical officer said that it was full of sugar. A sample was sent to our laboratory, and Dr. Bell found they contained—I think I am right in saying—14 per cent. of sugar, but that that sugar was a perfectly natural product in the tobacco. The supply had met the demand, and a Virginia sun-dried tobacco was prepared, containing 14 per cent. of natural sugar. The Customs were very annoyed at this, and it ended in a conference between Colonel Romilly, myself, and the Chancellor of the Exchequer. Colonel Romilly stated that it was absolutely absurd to suppose that the natural product of sugar in tobacco could amount to that, and so strongly and so ably did he put his case that the Chancellor of the Exchequer declined to come to any decision at all between the two departments, and a Treasury reference was made to an experienced chemist of repute. He reported that Dr. Bell was perfectly right, and that it was a purely natural sugar, and the result was that there was a fee of 100*l.* to pay, and I think 400*l.* damages had to be paid to the manufacturer for the delay in the delivery of his cigarettes.

20,718. That is a case, is it not, in which it turned out that the Customs chemist made a mistake; but is it not conceivable that even if there was one chemist for Government a mistake might occasionally be made. I do not see exactly how the case you give illustrates more than this: that one chemist on that occasion was right as against the other who was wrong?—Yes; but does it not argue that the conflict of opinion led to a great deal of trouble and expense?

20,719. (*Mr. Harvey.*) Was it not the error and not the conflict of judgment that led to the expense?—Perhaps so.

20,720. (*Mr. Fowler.*) Suppose your officer had made the mistake, and had been the only man?—Then we should have had, no doubt, to pay damages to the manufacturer; but he did not make the mistake, as his general experience and investigations had already made him acquainted with that description of tobacco.

20,721. You might have had an expensive trial, but in this case the conflict of opinion detected the error?—That is true, but the error would not have occurred if the Customs officer had had general experience in the detection and suppression of adulterated tobacco, and a thorough acquaintance of the natural constituents of the various kinds.

20,722. (*Chairman.*) Does not it in fact rather point to this, that the criticism of one chemist upon another might occasionally be of great advantage to the Government, and might enable the fault to be detected before it had gone too far?—I quite see the force of what you say; it might be so, but it would be an expensive mode of correcting occasional errors.

20,723. (*Mr. Fowler.*) Let us take it generally. Can the chemical work which arises in the two departments, both the Customs and the Excise, be done under the head of one laboratory?—In my opinion, certainly.

20,724. In your opinion there is nothing to prevent one competent chemist discharging all the chemical duties of the Government for both purposes?—Certainly. Then the office of Controller of stamps and

stores would not be brought into this question, nor would the mechanical staff and the stamping department. Then running through the different heads we come to the special Commissioners of income tax. There I think, oddly enough, the question might be affected to a certain extent. I must explain that the special Commissioners have a salary of only 600*l.* a year. Their duties are to make assessments upon all those persons under Schedule D. who elect to be assessed by the special Commissioners. That is to say, any merchant in London or anywhere else, who chooses to say, "I wish to be assessed by the special Commissioners," may do so, and a large number of assessments are made in that way on the large merchants in London. The duty of the special Commissioners is to make these assessments, and beyond that to hear appeals in all cases. Everybody may appeal to the special Commissioners, and their duties are to hear those appeals, to move about the country if necessary, where they cannot be heard in London. In the event of a Board, such as the Inland Revenue Board, being increased, as all my Board are ex-officio special Commissioners of income tax, I do not hesitate to say that, in order to meet an emergency, if the Board was larger, the duties of the special Commissioners in all probability could be performed by members of the Board.

20,725. (*Mr. Fowler.*) How many special Commissioners have you?—Three.

20,726. Is there an appeal from the special Commissioners to the Board?—No real appeal—no legal appeal.

20,727. (*Mr. Maclure.*) Do you say these special Commissioners are peripatetic, and that they go up and down the country?—Yes. They have a circuit of two months long in Ireland. Two Commissioners must be present, and they have to travel to all the small places in Ireland. In England they arrange their circuits so as to condense the work.

20,728. You mean that they go to Liverpool and Manchester, and to towns of that sort?—Yes, and they hear appeals in London.

20,729. (*Chairman.*) Are we to understand that if a Board of Inland Revenue was constituted rather more numerous than the present Board, the members of that Board would be able to undertake the duties of those three gentlemen who are special Commissioners of income tax, and those gentlemen might then be done away with?—I think probably they would be able to do the work of two of them.

20,730. Supposing that was the case, how far would it give satisfaction to the merchants or to those who now employ these special Commissioners of income tax?—I take it there would be no objection on behalf of the merchants. For the sake of gaining information, I have very often heard appeals myself, and so have many of my colleagues, because I have asked them all to go and hear appeals for the sake of learning how it is done. There would be no more objection to appealing to us than to the special Commissioners.

20,731. (*Mr. Harvey.*) Does the ordinary return of a merchant addressed to the special Commissioners go to the General Board?—No.

20,732. Then the merchant, so to speak, is brought into collision with the special Commissioners only?—That is all.

20,733. (*Chairman.*) You said, I think, there was no real appeal?—There is no legal appeal from the special Commissioners to us.

20,734. Is there a nominal appeal which is not taken advantage of?—If a merchant came to us and said he was aggrieved by the action of these gentlemen, and asked us to look into it, no doubt we should ask the special Commissioners to come up, and we should go into it with them and see if we could adjust it, that is all.

20,735. (*Mr. Lawson.*) There is no reason at present why you should not see returns made, is there?—Not the least.

20,736. (*Mr. Harvey.*) I believe that what was supposed to be the special justification for the appointment of the special Commissioners was that the returns should be a secret between them and the merchant making it, or was it that the Commissioners themselves could not undertake it?—The original object of the appointment of special Commissioners was to get the return out of the hands of local Commissioners.

20,737. What I wanted to know was whether the justification for the appointment of these gentlemen was that the merchant was supposed to have his return a secret between them and him, and that it should not be known to the general Commissioners at Somerset House?—I do not think that was the object at all, because the Act provides that we are special Commissioners. I have not time for this work now that I am chairman, but when I was a Commissioner I constantly went and did the work of a special commissioner for my own learning and information. I have been all round Ireland as a special Commissioner, and I have heard appeals in London constantly as a special Commissioner, and I may do so to-morrow if I like.

20,738. (*Mr. Fowler.*) Then the only vantage ground that you see in this is that possibly if the staff of the Board was increased you might be able to diminish the staff of special Commissioners?—Yes.

20,739. And assuming that the public learns, as they will learn some day, that this board of special Commissioners does exist, and that they can evade what many of them are anxious to evade, namely, the exposure of their private affairs to their own fellow townsmen, do not you think it is just possible that the work of these special Commissioners may be so largely increased that you would have to add to them?—I should think it is thoroughly known now. I should like to mention in connexion with this that our surveyors of taxes now deal with two thirds of the cases that would be appeals. I want specially to mention that, because I never knew the enormous extent it went to till this year, when I employed my autumn in going round and visiting all my big offices. I found that the confidence is so great in the surveyors of taxes that very nearly all of the merchants of the big towns will go to the surveyor, produce all their books, and go through all their accounts, and say: "Now you must settle this"—of course he cannot settle it legally—then he goes to the Commissioners and says: "So-and-so has been before me," and the whole thing is settled in that way by the surveyor of taxes. Now I think the time has come when I should tell you what the duties of the surveyor of taxes are.

20,740. First tell us how many you have got?—228 surveyors for the United Kingdom, and 45 assistants.

20,741. What is their minimum salary—I ask that in order to see what class of men they are?—Until the other day it was 100*l.*, going by 37*l.* 10*s.* triennially, to 400*l.*, with duty pay at various rates not exceeding 200*l.* The whole of that has been changed since your Commission has reported, as we have now done away with duty pay, and also with triennial increments.

20,742. (*Chairman.*) Then you were going on to tell us about the work that is done, and the position of the surveyors of taxes?—It is rather difficult to describe well, but this is the best I can do. The surveyors of taxes are the local officers of the Board in their respective districts. They supervise the assessment of the income tax and inhabited house duty, as well as the collection of these taxes and of the land tax. They attend all meetings of district Commissioners, and assist them and advise them in administering the various Acts of Parliament. They examine all the printed accounts of all public bodies and companies so as to ascertain their liability under Schedule D. of the income tax, and a vast number of the public resort to them in cases where the assessments on profits of trade are objected to. In the large majority of cases an agreement is come to which is subsequently submitted and approved of by the district Commissioners. The collection of the duties is closely watched by the surveyors, and the accounts of parochial collectors are examined by them, and brought to a balance to show that all duties payable to the Revenue have been paid to it. I am afraid that gives a very inadequate idea of the duties of surveyors, because you will all see at once how important it is in dealing with the whole mercantile community that the different returns should be looked closely into and examined, and cases of back duty (which is a very constant occurrence) looked up.

20,743. I do not quite see how the surveyors of taxes will be affected by any amalgamation of the Customs?—I do not think they will at all.

20,744. Will they be affected in any way?—Not the least.

20,745. They might be affected with regard to the amalgamation of the excise, and stamps and taxes?—

Sir A. West, K.C.B.

13 Nov. 1888.

Very distantly, if at all, not worth, I think, your attention.

20,746. (*Mr. Harvey.*) There are many interesting questions about them, but I do not quite see that they have much to do with the point that is now before us as a Commission, unless you think they will be affected by the amalgamation?—I do not.

20,747. (*Chairman.*) Are we ready now to come to the question of the warehousing; probably questions affecting the warehouses will take us over the rest of the ground?—Yes, they will. Shall I repeat the figures I gave you earlier in the day, because they are rather the basis of my statements upon the warehouses.

20,748. I do not think you need repeat the figures about the Revenue collection, because they are upon the notes. You had better, I think, tell us what is the warehouse system?—I will give you a history of it. Up to this time I have separated the revenue derived from goods in warehouses from other revenue collected in other ways, because in my opinion it is most important in dealing with this question of amalgamation. I think it might be convenient to the Commission now if I stated that the question of transferring the administration of some portion of the warehouses from one department to the other has already occupied a very large amount of time and attention at the Treasury, and of course of the two Boards. As long ago as 1876 was my first personal experience that this question was being considered practically. Then I was asked, but it fell through, to visit some of the ports to see what might be done, but nothing came of it farther than that. The real suggestion of the amalgamation of warehouses originated in Lord Frederick Cavendish's time, when he appointed a committee which was composed of the two chairmen of the Boards, Mr. Barrington, of the Treasury, and Mr. Holmes, who was then a Lord of the Treasury, was the chairman of it. I think I can only read again what I have put already in my papers of the 12th of October beginning at the last paragraph of the first sheet, which will give you the history of this committee. It was appointed in 1880 "to inquire into the "bonding system of the two departments; and also "as to the reduction of Customs establishments at "minor ports." What was put before us—I may say "us," because although Sir Charles Herries was originally on the committee, his health broke down, and I succeeded him (I was deputy chairman of the Board at that time) on the committee. What was put before us was: "That the regulations for bonding "goods in the warehouses of the Customs and Inland "Revenue should be absolutely assimilated. That in "districts where there are duplicate establishments, all "of them should, as far as practicable, be transferred to "the Revenue Board." (That meant one Revenue Board.) "That in each town or port the number of "bonded warehouses should, as far as possible, be "reduced to the actual requirements of the trade. "That Customs establishments at minor ports should, "as far as may be practicable, be abolished or reduced "to a lower class (*i.e.*, to the class of creeks, or parts of "larger ports). Sub-committees, consisting of mem-"bers of the two departments, were subsequently "appointed to carry out these recommendations with "the result—That an unified code of warehousing "regulations for the two departments was issued in "1885. That the assimilation of the system of ware-"housing accounts was practically affected. That the "number of duplicate warehousing establishments was "reduced from 35 to 7 (exclusive of a few ware-"houses occupied by distillers), and the bonded "warehouses at 41 minor ports were transferred to the "Inland Revenue Board. On this last subject, the "committee reported to the Treasury in November "1883 as follows:—'We have the pleasure of reporting "'that a saving of 15,000*l.* per annum has been affected "'(through the transfers in question) and this without "'any diminution whatever of the facilities given to "'the public, but rather, if we may judge from the "'reports that reach us, to the satisfaction of all con-"'cerned. This feeling will, we believe, be deepened, "'as the public become more familiar with the altera-"'tions. The saving mentioned above of 15,000*l.* per "'annum, is in respect of changes carried out in "'accordance with the recommendations of our pre-"'vious reports, at the places mentioned therein. "'There remain a large number (61) of places at which "'warehousing business is still performed by the Board "'of Customs. Of these places we append a list, from "'which it will be seen that at only 19 places is "'the business extensive, while we are strongly of "'opinion that at the other ports (42) in the list "'investigation by the practical officers of the two "'Revenue Boards would show that the work could "'be more economically performed by the Board of "'Inland Revenue. We would therefore suggest "'whether your Lordships should not issue instruc-"'tions to both Boards to bring about, with as little "'delay as possible, a transfer of business on the lines "'above indicated, observing that we do not consider "'it necesary that our committee should be continued "'to supervise such transfer.' These recommenda-"tions were adopted by the Lords of the Treasury in "December 1883, but the transfer was stayed in the "following year by the Chancellor of the Exchequer, I "believe on the assurance of the Customs Department "that they could themselves effect great economies."

20,749. (*Chairman.*) Then you go on after that in your paper to give a few statements as to what followed since that date, with regard especially to the unified code of warehouse regulations?—Yes.

20,750. How does that unified code work?—The code has come into operation. It was introduced with the object of the practice being identical. It is of course impossible that two Boards, with the very best intentions, could administer an identical code. Their officers have different views, and the Boards have different views. This code was issued in 1885, but we have already issued 27 general orders to the services making alterations therein. We have had inter-departmental committees to arrange about these changes, and they have already affected about 76 out of the 633 paragraphs of which the code consists. Now these 76 alterations have been affected more or less with the consent of both departments. Of course I may say, that in such a meeting to settle these things there is a good deal of give and take. We have had to give up things that we think useful and essential; I have no doubt the Customs will tell you the same. But certain cases have arisen in which the Treasury have deliberately sanctioned since this code a departure from the identity of it. I can give you as an example this case. In the practice of the Inland Revenue Department we always took in warehouses, the transfer of goods from A. B. to C. D. In the code we arranged to follow the Customs plan, which was not to give tranfers. In Dublin about two years ago considerable frauds arose, not, however, frauds on the Revenue. A trader sold his packet of goods that he had in a warehouse five or six times over, to five or six different persons, who all believed that these spirits which were deposited in the warehouse had not been sold previously. Following the old practice when A. B. sold to C. D. it would have been transferred in the books, and the merchants would have known that that packet of goods was not his any longer to dispose of.

20,751. (*Mr Harvey.*) What document of title had the merchant who put it into the warehouse?—He had the warrant showing that he had got this case in the warehouse, and he produced it to several people and sold it half-a-dozen times over. A deputation waited upon the Board of Inland Revenue (upon me rather), of the warehouse keepers in Dublin, and asked us to revert to the system of registering transfers. I heard (which, of course, I only can do in a deputation) what they had to say, and then I put the case to the Treasury, and in putting it I said, "Some advantage will be gained from "a revenue point of view, because we have found out "that all these merchants are quite willing to pay a "shilling a piece in each transfer which will go into our "pockets, and as they will become dealers by transferr-"ing it, we shall get licenses from them." The result was that we were told we might revert in our warehouses to the principle of transfer. But the Customs objected to it. I do not know whether they may have changed it again since that time; they objected to it at that time, and the Treasury deliberately sanctioned our following one practice and the Customs another. I am not saying this in blame. I am only giving it as an example of the difference of the practice that has crept in, and differences of practice must go on creeping in.

20,752. (*Chairman.*) Have complaints been made to you by traders of any inconvenience which they have experienced in consequence of this difference of treatment in the respective warehouses?—Very constantly.

20,753. We shall probably hear from the trade, then, of that inconvenience?—No doubt; there has been very constant complaint.

20,754. You are strongly of opinion that not only should the code be unified as stated here, but that it should be managed by one Board as the only means of maintaining its identity?—That is the only means of maintaining its identity. Understand I am assuming that both Boards are equally anxious to do what is best, but the two separate Boards and the two separate quantities of officers cannot go identically in practice on the same lines.

20,755. How many places are there where there are duplicate warehousing establishments. Is that number still seven. According to the report the number was reduced from 35 to 7?—There are, however, ten ports where both establishments have warehouses, they are Aberdeen, Belfast, Cork, Dublin, Glasgow, Leith, Limerick, Liverpool, Newcastle-on-Tyne, and London.

20,756. Those are the ten ports where there are both Customs and Revenue Board warehouses?—Yes.

20,757. (*Mr. Fowler.*) There are only two in England outside London?—Yes.

20,758. What are your bonded warehouses, say in London?—In London our warehouses contain what we technically call dry and wet goods, which mean all dutiable articles, Customs or Inland Revenue.

20,759. Are they goods that have been manufactured in England?—Both foreign and English.

20,760. Do you have foreign goods in your warehouses?—Yes, we warehouse tobacco, we warehouse foreign spirits, and we warehouse dried fruits.

20,761. Take dried fruits, that is a pure customs duty, is it not?—Yes.

20,762. Why does that come to you?—Because the trader wishes, for his convenience, to distribute it from our warehouse.

20,763. Then it is the trader's action?—Yes.

20,764. Therefore it comes to your warehouse with the sanction of the Customs authorities?—No, at the wish, and for the convenience of the merchant.

20,765. (*Mr. Lawson*) What is the trader's object?—I will take as an instance, Mr. Gilbey. I quote him always, because he is far the largest man in that line of business; his line of business is the foreign business, which is mainly wine. His wine is landed at the docks in London. Account is taken of it there by the Customs officers, and it goes through a Customs warehouse to an Inland Revenue warehouse direct. He has to deal with both departments. His great warehouse is at Chalk Farm, that great round house that you see going out by the North-western. That is an Inland Revenue warehouse. Everything coming from abroad has to pass through the Customs to get to us, therefore he is affected by a double operation always.

20,766. (*Chairman.*) It is not necessarily put into a Customs warehouse, is it?—I would rather you ask that of the Customs, because I do not know whether it is what they call, constructively, a warehouse. For instance, when you come from abroad you pass through a kind of shed to show your luggage; I think that would be called a Customs warehouse, but I do not know.

20,767. If a cargo of wine comes which a trader desires to deal with in some Inland Revenue warehouse inside the country, could not the Customs account for it on board ship, and then after their clearing it, could not it be put on the rail and taken straight to an Inland Revenue house?—Occasionally goods after being taken an account of at the ship's side go direct to Excise warehouses.

20,768. (*Mr. Fowler.*) Could they take an imported article to your warehouse at Manchester say?—Yes.

20,769. Do they?—Yes, largely.

20,770. I say Manchester, because I want to take a place to which there is no water communication?—You can take Birmingham and Manchester. It is done at both places.

20,771. What I understand you to say is this, that goods imported into this country from abroad which have not yet paid their duty can be bonded, warehoused in Birmingham, say under the Inland Revenue?—Yes.

20,772. When those goods are taken out, to whom is the duty paid; to you, or to the Customs?—It depends upon what it is.

20,773. Suppose it is wine?—Then it is to the Customs.

20,774. (*Chairman.*) Do you collect for them?—Yes.

20,775. (*Mr. Fowler.*) You collect for them and account to them for it?—Yes.

20,776. But the authority for releasing the wine out of bond will be given by the Inland Revenue?—Certainly.

20,777. (*Chairman.*) Then it is generally the fact in the case of imported goods that at the choice of the trader they can go into the warehouse belonging to either Board?—Yes.

20,778. (*Lord Lingen.*) Can you state how the duty would be guarded in the case of tea that was landed at Liverpool and was going to be bonded in Birmingham; where would the bond be given until it had got itself into the warehouse, or would any bond be given at present?—At present the Custom House officer would weigh the tea, and it would be, as I believe, put into a Customs warehouse; of course I am speaking now of the Customs, and therefore I speak with great diffidence. From that Customs warehouse it then comes under us, and is deposited in an Inland Revenue warehouse. Nearly all the tea comes to London, and it goes to all inland towns by rail and is deposited in our warehouses, provided, of course, there is an Inland Revenue warehouse at the town where the article is required.

20,779. The obligor under the bond does not pay the duty till he withdraws it from the warehouse?—No.

20,780. In all this long transit overland from here to Birmingham, how is the duty protected during that time; who undertakes that?—The Customs House officer writes by post to our officer at Birmingham to say 50 packages of tea have left from such and such a ship, and they are marked to our warehouse; when they come to our warehouse the advice letter is reconciled with the quantity that comes.

20,781. At the railway stations and in the train what is the protection to the Revenue?—There is none except this, that the merchant is under bond, and if 50 packages of tea have left the Docks in London to come to us at Birmingham, and on arriving at our warehouse it is found there are only 25, the merchant would have to pay the duty.

20,782. (*Mr. Harvey.*) Supposing they did not arrive at all, what then?—He would have to pay the duty; he is responsible that what is landed is deposited.

20,783. (*Mr. Fowler.*) The duty is assessed at the time of landing, and it is at his risk, whatever becomes of it afterwards?—Exactly.

20,784. All that you say is this: You can deposit what you call equivalent to it, so many boxes, and you need not pay that duty until you take those out?—Certainly.

20,785. The duty we shall have sooner or later, and the duty is what is assessed in London?—Yes.

20,786. And if the quantity has been stolen that is your business, not ours?—Yes.

20,787. (*Lord Lingen.*) As a matter of fact, is the form of bond the same whether given to the Customs or given to your Board?—I imagine so.

20,788. (*Chairman.*) There are 10 places, I understand, where there are duplicate warehouses?—Yes.

20,789. (*Mr. Fowler.*) Those are all ports?—Yes.

20,790. Then in all the rest of the country wherever goods subject to customs are bonded they are in Inland Revenue warehouses?—That is so, except, of course, at the ports.

20,791. (*Chairman.*) There are no Customs warehouses except at ports?—No.

20,792. Will you tell us at how many ports there are Customs warehouses now?—About 60.

20,793. Then there has not been any large reduction in the number of warehouses?—Not that I am aware of.

20,794. I suppose there has been a considerable pressure on the part of the trade to increase the number of bonded warehouses?—And a considerable pressure on our part to diminish them, because in our opinion they are now absolutely unjustifiable. They were granted in old days by the Customs. In Birmingham, I think, we have not more than three warehouses, but in Barnstaple we have 24, and there are 11 in Chester, all granted by Customs, but now transferred to our Board.

20,795. (*Mr. Lawson.*) You say "there are"?—There are, because there were.

Sir A. West, K.C.B.

13 Nov. 1888.

20,796. (*Mr. Fowler.*) In how many places are there bonded warehouses belonging to the Inland Revenue?—In 170.

20,797. I understand the greater part of the goods bonded in those warehouses are goods, the duty of which is a Customs duty and not an Inland Revenue duty?—No; it is only at the big towns, such as Manchester and Birmingham, where we take in dry goods and wet goods. The dry goods is a technical term for Customs goods.

20,798. Wet goods or your own?—Yes; wet goods may be British or foreign.

20,799. Can you give us any figure as to the number of places where you take in Customs goods?—I will give you that afterwards.

20,800. (*Mr. Lawson.*) Are those mutually exclusive terms—"dry goods" and "wet goods"—do they mean exactly "Customs" and "Inland Revenue"?—I think so. Ours would only be spirits and beer.

20,801. They might be Customs too?—They might be Customs, but the reception of "dry" means, if you once take in Customs you take in everything of Customs.

20,802. (*Mr. Fowler.*) Wet goods would include British spirits?—Yes.

20,803. And foreign spirits?—Yes.

20,804. (*Chairman.*) Is it equally true of the manufacturer of dutiable articles in England, that he can, if he wants to deal with them, by way of export, warehouse them of his own choice either in an inland Revenue or in a Customs bonded warehouse?—Yes.

20,805. Does the distiller make his spirits on his own premises?—He makes it on his own premises, which are under our survey.

20,806. Then your officer would see what he does on his own premises, the same as he does with brewers?—Yes; but the rectifier deals entirely with duty-paid spirits; the distiller has in all cases what we call a distillery warehouse, that is a place next to his distillery where he warehouses his spirits; then, to follow out your question, he sends those under bond to any place that he likes, either for export or for home consumption.

20,807. He has got the same free choice, with that exception which you mentioned, that the importer of foreign dutiable articles has with respect to them?—Yes. One of the disadvantages of that is the kind of rivalry that exists between the two departments. It is very natural that the officers of one department do not like to see their business going to the other department, and that leads of course to a considerable rivalry, which I am afraid is not advantageous to the revenue.

20,808. That is to say, that the officers of the respective departments try to make things pleasant for the dealer in order to keep the trade?—Yes.

20,809. Without putting it higher than that, there is a temptation on their part not to be too particular where the hydrometer stands when testing the specific gravity?—This kind of thing occurs. The traders will say, "Look here, you are tremendously strict here; I see "you take the line below the degree, and the Customs "over there take it above." I am not setting one department against the other, but merely one place against the other in that way. "We shall go across to "the Customs, or we shall go across to the Inland "Revenue if you do not deal better with us." I admit there is that temptation to the officers, because they naturally like to have their warehouses full.

20,810. Could you state what amount of revenue each department collects for the other in the year; could you give us an idea how far the interchange goes on?—The Customs collect for the Inland Revenue about three and a half millions; the Inland Revenue collects for the Customs about two millions.

20,811. Under what circumstances does that collection take place?—Foreign spirits, for instance, bonded in our warehouses, would be revenue appertaining to the Customs, and when I say "foreign spirits," it equally applies to dried fruit.

20,811*a*. Foreign spirits bonded in your warehouses are Customs goods?—Yes.

20,812. (*Mr. Harvey.*) You collect that for the Customs?—We collect that for the Customs and *vice versâ*.

20,813. Where do the Customs collect for you?—In home manufactured spirits deposited in Customs warehouses.

20,814. (*Chairman.*) Then the proportion between the two receipts by either board on account of the other depends upon the proportion of home spirits to foreign spirits, dealt with in England, I suppose?—Yes, to a great extent.

20,815. That is, compared with others manufactured at home?—No doubt.

20,816. (*Lord Lingen.*) It depends really, does not it, on the choice of the public, if they put Customs goods in your warehouse you collect the money and account for it to the Customs, and *vice versâ*?—Yes.

20,817. And while three and a half millions of your duties are put into Customs warehouses, two millions are put into the Inland Revenue warehouses for the Customs?—That is it; then that account is adjusted between the departments every month.

20,818. (*Chairman.*) In the ordinary adjustment of those accounts, is there any friction?—I have never heard of any.

20,819. So far as that goes, then, there is no particular case for amalgamation?—No; I really do not think there is anything amounting to friction between the two departments, certainly not between the two Boards.

20,820. (*Mr. Lawson.*) Of course there is the time taken up?—Of course.

20,821. (*Mr. Harvey.*) Do you think the fact that the Customs collect more for you than you for them, indicates a preference on the part of the public for Customs arrangements?—I should not be very much surprised if that were so, because I know that when we took over the Customs warehouses in 1882 they did object, but I will venture to say you will not find one person who was so taken over in 1882 who will give you evidence that he is dissatisfied now.

20,822. (*Mr. Lawson.*) They collect the larger amount out of a smaller total, do not they?—Yes.

20,823. Proportionately, the amount is very large indeed?—Yes.

20,824. How do you account for that if there is no preference, and if there is no reason for it, as you say there was in 1882?—I would like to reserve my answer to that if you will allow me.

20,825. (*Chairman.*) I understand the regulations for charging the revenue upon dutiable articles in either warehouses are identical, and that the only difficulty which has arisen, which you say is a real difficulty, has been owing to the fact that there are two sets of officers and two Boards to determine upon these regulations?—That is all.

20,826. And that the Treasury has occasionally gone so far as to sanction a departure from them in the case of one department?—Yes, so far as it was sanctioned; there is now come a Treasury Order that we are not to sanction a warehouse, we will say at Birmingham, without consultation with the Customs, who of course have no means whatever af judging about the requirements of Birmingham. On the other hand, the Customs may not sanction a warehouse at Hull without the sanction of the Board of Inland Revenue. All this means delay; that is all the argument.

20,827. Then we come to the question of the action of the officers; take a case of one of those 10 ports, where there are existing, what I may call duplicate warehouses—I mean warehouses under both Boards—do your own officers exercise any of the duties which might be supposed to be more properly Customs duties?—No.

20,828. Then the Customs do all the work connected with the discharging of the ship, or whatever the technical term may be, and seeing that the articles imported are dutiable, or the reverse and so forth?—Yes.

20,829. You have no cases that you know of where your officers are employed upon that sort of duty?—None at all.

20,830. Are there any cases where the Customs men do any of your work?—Always excepting the great thing of the warehouses, which is identical, but nothing else; I mean the Customs officers would not interfere with the licenses or any of the Excise duties, nor would the Excise officers interfere in any way with the

Customs duties proper, such as searching the vessel, rummaging, taking charge of what is in the vessel, and so on; the duties are kept quite distinct.

20,831. (*Mr. Lawson.*) Warehousing comprises that part, roughly speaking, of the Customs functions which is included in Revenue?—Yes.

20,832. Has the Customs anything else of Revenue except that?—They collect about 400,000*l.* in addition.

20,833. Of course the Customs officers have other duties, but warehousing is the only part of their duties which pertains to Revenue?—I am not quite sure now that my answer is correct; I mean that they do not clash with us anywhere, it is as distinct as posible.

20,834. (*Chairman.*) Outside the warehouses there is no interchange of duties?—None at all.

20,835. Of course there are a great many Customs duties that are outside warehouses altogether, and which show no Revenue in return?—Exactly.

20,836. I presume there are many ports where there are Customs officers and no warehouses?—Yes.

20,837. And many ports where there have to be Customs officers naturally to see that no dutiable articles are landed, but where there is practically no dutiable articles to be landed and therefore no Revenue?—Exactly; following up my argument, that is the second strong point for amalgamation. All over the coast there are officers employed by the Customs and by the Inland Revenue. I have had this little map prepared for the Commission (*handing in same*). I have not put all the places where we have got Inland Revenue officers, because it does not bear upon the question, but taking the coast all round I have had that map prepared with a green line surrounding the places for Inland Revenue officers, and a red line surrounding them for Customs officers.

20,838. These lines do not mean warehouses?—No, only where the officers are; you will see at a glance that all round the coast there are double establishments.

20,839. (*Lord Lingen.*) Your men do not watch the actual waterside, the sea anywhere?—No, but neither do the Customs (I speak subject to correction). The Customs are not a preventive service. They only have to board and examine vessels when they come. They do not walk along the coast and see when there is a vessel coming.

20,840. That duty is given to a totally different service, to the preventive men?—Yes, under the Admiralty.

20,841. (*Chairman.*) The Customs have nothing at present to do with the Coast Guard, have they?—I believe not, but I would rather that you took that from the Customs.

20,842. We could get from the Customs what they considered to be the obligation of the Customs with regard to placing officers at different points on the coast?—I should not dispute for one moment that it is necessary to have an officer at each of those places. It is impossible to do without Customs House officers wherever there is a possibility of a vessel coming up; but my contention is this, that it is absolutely impossible that there can be sufficient work for any Customs House officer in a place where no vessels can come up.

20,843. (*Lord Lingen.*) But no vessels can legally come to the coast except within the limits of a port?—Exactly.

20,844. Therefore that resolves itself into the presence of a Customs House officer within the limits of a legal port?—Yes.

20,845. Then the preventive service of the guarding of the coast includes a much greater length than the limits that were included within legal ports?—Yes. I have had no information from the Customs since sitting on that Committee in 1882. Then they gave us a return of the different ports and the duties that were collected at them. The first place we come to (they may have changed this since) was Aberystwith. The gross amount of Customs duties and charges collected at that port was 1*l.*—1*l.* duty on tobacco; it would be reduced now, because the duty is less.

20,846. (*Chairman.*) That being a port where a ship could land goods of course it is perfectly clear there must be somebody to represent the Customs at that port?—Yes. When this return was made out in 1880, for the purposes of that Committee, the cost of the Customs establishment at Aberystwith, where they collected 1*l.*, was 854*l.* 12*s.* 1*d.*

20,847. (*Lord Lingen.*) Per annum?—Per annum, and they collected 1*l.* per annum.

20,848. How many men had they got for that money there?—I cannot tell you that.

20,849. How many men in Aberystwith had you at that time?—There would be a supervisior, and probably two or three officers.

20,850. Your collection would be a serious amount of money from a place of that sort?—No doubt. Of course I have taken a very extreme case. Probably it is necessary to have an officer there because this tobacco having come in once might come again, and you want to get the duty on it. But my contention is that, as we have a district office there with an officer, and as the tide serves only at certain times, and the boats only come in at certain times, this work could be interwoven with duties he is doing for us, so that when he has made this collection of 1*l.* he will have other duties to perform in regard to licenses, publicans, breweries, and all the multiplicity of duties we have to perform, or even if you could not reduce an officer then that Customs House officer, if he were a revenue officer, would be engaged in the intervals of his leisure in looking up licenses and doing the necessary duties of an excise officer.

20,851. (*Mr. Lawson.*) Although this is an extreme case, are there many other cases in which the same is true?—I took the first case, and it happened to be an extreme case, so it answered my purpose; but I could read you many which are as absurd. I believe there are several places within the country in which no boat of any kind or sort can come up except at spring tide, or once a fortnight.

20,852. (*Lord Lingen.*) Would not the coastguard do duty within the limits of a port, or is it only outside the limits of a port?—They make a distinction between ports and creeks.

20,853. A creek is legally part of the port?—Yes; but for the purposes of the establishment we make that distinction.

20,854. Would the coastguard come into Aberystwith, for instance, and guard there, or would that be left to the Customs?—I should think that the coastguard would guard it up to the point where the port or the harbour was.

20,855. They would not consider that their field was exclusive of the limits of the ports?—I should think not.

20,856. (*Mr. Lawson.*) I see that at Rye they collected 99*l.* in the year. Are you aware that the cost of the Customs there would be in the year 1879, 435*l.* 12*s.* 1*d.*?—Yes.

20,857. (*Chairman.*) Can you say generally, from having looked through the lists, that there are many ports around the coast of the United Kingdom where the Customs House officer or the Customs House Establishment would appear to have very little to do?—I should say so, certainly.

20,858. (*Lord Lingen.*) I should think, except in Swansea, Cardiff, and Holyhead perhaps, that in all these Welsh places the collections must be exceedingly small?—They are excessively trivial. The trade always comes to certain fixed places. That is the most curious thing in the world. Tea, for instance, comes to London, and goes all over the country because the trade chooses to take that channel.

20,859. (*Chairman.*) Have you any statement which shows to what extent the Customs House officers in these places do work on behalf of the harbour companies and the various commissioners?—I have only got the statement made by the Customs in the paper which was prepared for your Commission; they mention that they divide their work into 20 heads.

20,860. So far as those 20 heads go is not it the case that the receipt of revenue for harbours and so forth is paid for by those respective companies?—They take advantage of the presence of the Customs collectors. You will find, I think, that the collectors at the big places receive fees or emoluments which are not put down in the estimates. There, again, is no doubt the beginning of a certain amount of jealousy. For instance, in Dublin (I say this subject to correction, because it may be answered), I believe the collector has 1,500*l.* a year from one source or another. He does not collect

Sir A. West, K.C.B.

13 Nov. 1888.

half of the revenue that our collector collects with a maximum salary, which I suppose he has not got yet, of 800*l.* a year. All these things give rise, of course, to certain amount of jealousies and frictions and difficulties. I want particularly to say that probably the Customs have been most energetic in their economies of late years, and I have no doubt they have made arrangements that these things shall not continue. I am only telling you of facts.

20,861. If there is a collector of Customs at Newcastle, or some large port of that sort, can you see any reason why that man, when he has to board a ship for certain duties connected with the revenue, should not at the same time be able to certify for the tonnage and harbour dues for the purposes of the commissioners there, and for the convenience of the public, for which he may fairly earn an extra salary?—No doubt.

20,862. You do not see any objection to some officer doing that?—I do not see any objection to "some officer," I do see an objection to an officer as high as a collector with that salary.

20,863. (*Lord Lingen.*) Do you know from that return at Aberystwith what amount of dutiable goods would have come there?—No; I should like to touch very much upon that point. On page 2 of the Customs Report to you, of the 19th October, there is this: "With the view of examining the question whether any "improved administration or economy is likely to "result from the proposed change, it will be as well "first to state the main divisions of the work of the "Customs Department;" and then follow 20 heads. I should be very unwilling to go into the details of the work, because Sir Charles Du Cane will give very much better information about that than I could do; but I think I might make this remark, that nearly all these duties are duties subordinate to the duties already performed by the Board of Trade, that is to say, that at all the big places the Board of Trade have officers, and they do nearly all these duties themselves.

20,864. You mean "light dues," and so on?—All these things, such as "Receipt of light dues," "Other "work for the Board of Trade," "Superintendent of "mercantile marine and receiver of wreck and enrol-"ment of men," and registration of vessels. The mass of this work is duty properly belonging to the Board of Trade, because as small places have the Customs House officers they may as well do the duty. I think I may argue that as to giving work to the Board, I may compare it with my own duty in the collection of agricultural statistics. If I wish to magnify the duties of my Board, I could say here we have the superintendence and collection of agricultural statistics from every farmer in England, every little farmer. But I tell you frankly that does not cost us 5*l.* of work, it is work done by the lower class of officers. But if it is a question of principle, supposing questions of principle arise, and twice in my chairmanship they have arisen, and the President of the Council has asked me to go down and attend a deputation with him from chambers of agriculture, as to whether they should include for the future silos in the return, or whether they should include chickens. I gave him an extra two hours' work to say of course if they want silos included we will take care that silos are included. But there is no administrative work in the higher branches in consequence of that probably. So I say that in all these cases it is impossible that the Board of Customs should deal without reference to the Board of Trade.

20,865. (*Lord Lingen.*) The Treasury policy has always been to induce the Board of Trade, as far as possible, to employ the Customs for their seaside work?—Yes.

20,866. And the struggle on the Board of Trade has always been to have their own men and establishments?—Exactly.

20,867. I think, unless the policy of the Treasury is changed since I was there, they would lean rather to keep the Board of Trade work with the Customs than to discourage that?—I am quite sure they would. I was not saying a word against that; all I was saying was, this is administrative work in the lower ranks of the service. Of course great cases arise no doubt, as when the Alabama went away. That caused great anxiety to the Customs. In ordinary cases these are matters of principle. In the case of the Alabama they would be referred to the Government of the day.

20,868. (*Chairman.*) I think there is a slight confusion there between the administrative duties they have to perform for the head of the Customs in London and the work at the port, because here we have got a small port like Aberystwith or some other port where we have seen that there is a very small revenue and a considerable expenditure. Whatever that expenditure may be, we presume from this return of the Customs that those particular officers may have a lot of other work to do?—A lot of these little things to do.

20,869. Which may fairly fill up his time; and if that be the case is not it a good thing that his time should be so filled up?—Yes.

20,870. It does not interfere with the questions of the amalgamation at all, but it takes away the value of the argument as regards the particular individual, showing he might be doing Excise work?—Will you allow me to differ to this extent: they cannot have any of these duties performed if there is nothing to perform them on; that is my contention.

20,871. Nothing to do at that very port—none of those 20 points?—I do not think there is one of those we can do, except there is a ship to do it on. My contention is there cannot be a ship.

20,872. (*Lord Lingen.*) Suppose a collier came to Aberystwith; there is no duty on coal, but they would have to search that ship strictly, and to see that there was no tobacco and no spirits?—Quite so. I am not in the least saying that. But what I say is this, that there are lots of places on the coast where nothing can come.

20,873. (*Mr. Harvey.*) Would not there be a good deal to do there as receiver of wreck?—If you will take the Wreck Chart for any number of years you will find that probably at Aberystwith there has not been a wreck for ten years. Wrecks do not occur in these creeks and places. The total received in the year by the collection, not including Light Dues, is about 91,000*l.* for the whole of the coast trade. I do not in the least presume to say that that officer has not enough to do; but I cannot help thinking that from a common-sense point of view, at a place like Penrhyn, his time cannot be fully occupied, and that perhaps it might be dovetailed into the establishment that the Inland Revenue is obliged to have at that spot. I will give you an instance. Mr. Morris wrote to the "Times" the other day to say that at the holiday time of the year the slaughter of sea birds was very great by people who did not take out gun licenses. What could be more useful than that Customs House officers should be employed in seeing that these people walking along the coast had gun licenses. I give you that as an instance. Then, again, they might help to look after dogs in spare time. My argument is that the more multifarious the duties the more it enables you to work them in one with the other.

20,874. (*Mr. Harvey.*) Then that statement of the duties is substantially misleading?—I would not say that for the world. I should not call it misleading if I said we had to collect agricultural statistics, which gives great labour——

20,875. (*Mr. Lawson.*) Because it must give your subordinates a good deal of labour?—Of course it does. I will only take one of them. I do not want to criticise their payment of pensions, civil, naval, and military. Of course we have the payment of civil pensions, but that does not cause me, or the board, or anybody else beyond a pay clerk, much trouble, yet we pay a great many more.

20,876. That particular one would not affect an outdoor officer?—No. Then there is the prosecution of offenders against revenue laws and the preparation of the statistics of trade. No doubt you will hear the anti-Treasury view about these statistics. No doubt you will have before you Mr. Giffen. These statistics from which the Board of Trade returns of imports and exports are prepared are sent up *en masse* to the Customs House. They are not tabulated at the ports in any way, they are sent up *en masse* and there is an enormous department in the Customs House that tabulates those and sends that tabulation to the Board of Trade. No doubt you will ask Mr. Giffen all about that.

20,877. (*Lord Lingen.*) Have you got before you the revenue estimates for this year 1888–89, page 31. There is the Chief Inspector's office divided into two branches, one for the Excise and one for the Taxes. The Excise is naturally a good deal the biggest. There are 32 in that if you cast them up, and there are 13 in the other. Then if we turn to page 38, where you have got your outdoor departments for the Excise, these inspectors

and examiners, or some of them, figure again at the head of it. These are parts of the same staff that are mentioned at page 31. I suppose some of them are quartered in Somerset House, and some are posted up and down the country, is that it?—No. Inspectors are all in Somerset House, and you will see at page 38 no salaries are put to them; they go back to page 31 for their salaries.

20,878. Therefore the head persons down in the country, your highest-placed salaried officers, are the collectors?—Yes.

20,879. Do they collect your stamp duty and tax duties as well as your excise duties?—They do.

20,880. And where they do not collect, how does the revenue reach your Receiver-General?—It never reaches the Receiver-General, but is paid direct to the agents of the Bank of England.

20,881. That would only be true of the house tax?—Yes, and of all other taxes.

20,882. The licenses would reach you through the Post Office, would they?—Some through the Post Office and some through our officers; the most would be through our officers, through our collectors' offices.

20,883. (*Mr. Lawson.*) When you say London, I suppose you mean all through the metropolis?—I said London particularly, because the City of London have always clung to their patronage in giving these large sums to their collectors, they will not let us collect for them.

20,884. You mean the metropolis outside the city of London, the administrative county?—We shall have to look at that in a different light. I do not know how that will affect us. The City of London Commissioners have always stuck to their own patronage at a very great cost to the country.

20,885. (*Lord Lingen.*) Is that equally true of your inspectors on page 40, a certain number of whom look after your taxes, that they are not local officers but are quartered at Somerset House?—Yes.

20,886. Then I see local officers for the taxes, and gentlemen who are put on the new scale, of which 400*l.* was the previous maximum?—Yes, 400*l.* and duty pay.

20,887. There seems considerable difference in the pay of the collectors, and of the highest pay of these surveyors of taxes?—The surveyors of taxes highest is, I think, 600*l.* and the collectors' highest is 800*l.*

20,888. If you undertook the Customs collection, these collectors, I suppose, are the officers into whose hands the Customs duties would come?—Yes.

20,889. If you now turn to page 13 of the same estimates under the Customs, the collector there you see means the head of a port. It means a different person to your collector. He collects at present all the Customs duties within his port. When it was proposed to consolidate him with your collectors it was said "that is impossible because the collector of the Inland "Revenue is an ambulatory officer who is inland, and "all about his district. Our Customs collector must "be at all times within the limits of his port." Do you admit the force of that argument?—No, I do not. The policy of the Board of Inland Revenue has been to throw as much responsibility upon the collectors as possible, and to look to them for the proper discipline of their collection. In accordance with that we have abolished what was called "rounds." We used formerly to have 'rounds" for collections. The collector would be here at a certain spot, and by that means, saw his officers. There was a very great expense in that. He took his clerks, and the office was shut; that is abolished. We now get the Revenue sent to that collector without any trouble at all. But with a view to inspection we insist upon a collector visiting each district (say that he has five or six districts) once in the year, and we hold him responsible for knowing about the officers, and the conduct of them, whether they are good men or bad men, or indifferent men, and so on. But to say that would interfere with the duties of the collectors seems to me not to be the fact, because in the collector's absence, visiting these places once a year, the chief clerk in his office is perfectly competent to deal with all such matters that might arise during a temporary absence.

Sir A. West, K.C.B. 13 Nov. 1888.

20,890. Then the same would happen in a port?—The same would happen in a port.

20,891. (*Mr. Lawson.*) The collector, of course, supervises really the work that is done in his district?—Yes, he is the king of his collection.

20,892. Therefore, probably even the addition of Customs work would not make such a difference to him as to a subordinate officer?—Exactly.

20,893. (*Lord Lingen.*) If an appeal came from or against one of your collectors, would it go into your Inspector's office, Inspector of Excise, or Inspector of Taxes?—If there was a quarrel or anything of that kind with one of the public, the Inspector, if it was of sufficient gravity, would inspect, and see and hear the matter.

20,894. But the Inspector would be for any of those purposes the permanent adviser of your board. You would send it to him, or he would come to you?—Yes.

20,895. He is the channel through which anything respecting the collection either of excise or of taxes would reach your board?—Certainly.

Adjourned to Thursday, the 22nd instant, at 12 o'clock.

SIXTIETH DAY.

7, Whitehall Place, Westminster, S.W., Thursday, November 22nd, 1888.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.
LORD BASING.
Rt. Hon. H. H. FOWLER, M.P.
Mr. J. CLEGHORN.
Mr. A. S. HARVEY.
Mr. H. L. W. LAWSON, M.P.
Mr. H. WALPOLE, C.B., *Secretary.*

Sir ALGERNON WEST, K.C.B., recalled and further examined.

20,896. (*Chairman.*) Have you anything that you would like to say with reference to the evidence that you gave on the last day the Commission met. Have you anything to add to any of the answers you then gave?—In reading over that evidence I was struck with the impression that apparently I had given too great prominence to my own individual opinion, which I should be very sorry to do; and I should like, if I might, to say how that opinion has been borne out by other men—not in political circles; I am not talking of Chancellors of the Exchequer, or Secretaries of the Treasury, but by other men with whom I have been in constant conversation and communication on this point. I have never come across one who did not think that increased economy, and improved administration, would not follow amalgamation. I would mention first my

Sir A. West, K.C.B. 22 Nov. 188

Sir A. West, K.C.B.

22 Nov. 1888.

colleagues and late Deputy Chairman and Secretary of the Board of Inland Revenue, Mr. Adam Young and Mr. Forsey. I think they are by far the highest living authorities on Excise laws and are most intimately acquainted with Customs laws and practice. They were constantly, in a long career, brought into contact with all the Customs laws; they both retired, as you are aware, and they are both, I am sorry to say, unable from ill-health to attend as witnesses. They have both written to me to say how strongly they feel, and have felt all their latter time, how necessary amalgamation is. Our present Chief Inspector (who has an immense experience), our Excise Secretary (who has occupied the position of collector at Hull, Belfast, and Dublin, three of the most important Customs ports), together with all our most able collectors, are of the same opinion. The Warehouse Committee, as you are aware, in a letter addressed to the Treasury in November 1883, suggested, in the paragraph on amalgamation, that in addition to the 41 warehouses that had already been transferred from the Customs to the Inland Revenue, a further number of 42 should be similarly treated. That letter was signed by Sir Charles Du Cane, who was then and is now the Chairman of the Board of Customs. That was approved of by the Treasury at the time. Both the Boards at the present time, I am happy to see, are agreed that amalgamation would result in economy, the only difference between us being the amount of that economy; because I observe that the Customs admit there would be an economy of 11,000*l.* a year. I venture to think that it would enormously exceed that amount, even without including the sums that might be obtained possibly from the sale of the Custom House (which, I believe, is estimated to amount to millions) and the sale of duplicate offices, either Customs or Inland Revenue, throughout the country.

20,897. (*Mr. Fowler.*) You say "the sale of the Custom House"; do you think it would be possible, assuming the Boards were consolidated, to do away with having an establishment for the consolidated Board down by the docks?—I think it would be quite impossible to do without an office for the staff which would be retained there, but there are large Government rooms that I believe are now vacant at Tower Hill, which would be amply sufficient for the duty of the port; I do not say the Board, because I contend that it must be immaterial to the whole trade whether the Board sits there.

20,898. I understand there is an immense mass of accommodation required at the Custom House for the purposes of shippers and merchants, and so on, for clearing their ships?—No doubt.

20,899. I think we may dismiss the idea that any of them would come to Somerset House; of course they would object to that?—Certainly.

20,900. Therefore you must do the work there?—My answer to that would be that the offices at Tower Hill would probably be found sufficient for the duties of the port.

20,901. (*Mr. Cleghorn.*) And so the existing Custom House, you think, might be sold?—I do.

20,902. You would still have to provide a long room and all the other appendages?—The offices at Tower Hill that were formerly ours are very large.

20,903. (*Mr. Lawson.*) You have got actual knowledge of that fact now?—I cannot go into detail, but I think at Tower Hill there are very large offices, which would be, in my opinion, sufficient.

20,904. (*Mr. Cleghorn.*) Cannot these offices you refer to at Tower Hill be sold, and so avoid any transfer or change?—I do not think they are a quarter the value, or anything like a quarter the value, of the Custom House.

20,905. (*Chairman.*) Then so far as the figures are concerned, and leaving out of the question for the moment the suggested sale of the Custom House and other duplicate offices, and confining ourselves to the staff, I understand that you and others whose opinions you have just now quoted, are of opinion that the Board could be amalgamated, and that a saving of something like 10,000*l.* or 11,000*l.* a year could be effected by that. Do you, or do you not, think that there would have to be any increase in the salaries of the Commissioners or of any of them?—Certainly not.

20,906. Do you think that the work could be done by the gentlemen of position who ought to be at the head of such boards and colleagues on such boards, and that there would be no occasion to raise the salaries?—Not the slightest. I may say in passing as it occurs to me that a Bill is in Parliament now which is going to be passed I hope on Monday which will add to the sum collected by us 680,000*l.* a year. That is a kind of sum that is thrown upon us without the smallest question of increasing our position or pay, or anything else.

20,907. In the working of the Inland Revenue with which you are so familiar, do you see any special value in that fact of having a Board at all, or how would you set the advantages of having a Board as against having a Comptroller and a Deputy-Comptroller of the Inland Revenue?—I have thought a great deal on that question. I think the advantages of the Board are very great. Supposing you are on the question of economy first of all. If you abolish the Commissioners you would be obliged, from the nature of the work, to have officers of equal position, though you might not call them Commissioners as staff; it would merely be calling in others to consult with the Comptroller.

20,908. I merely suggested that, because the point is sure to be raised when we come to talk of the Inland Revenue (not thinking for the moment of the Customs at all) wherein do you see the advantage of having a Chairman, a Deputy Chairman, and three Commissioners, as against having a Comptroller and a Deputy Comptroller?—This is one point. I do not think you would gain anything in economy for the reasons I have stated. Then considering the unpopular and difficult duties we have to perform throughout the country, I think the force of a Board is something enormous. All of you perhaps have got instances in your mind. Supposing an unpopular tax was imposed on the country, and it was to be said that Sir Charles Du Cane, or anybody else, was the man who was collecting it, there would be raised a strong feeling and an agitation against the individual. Now, although we collect 56,000,000*l.* of revenue, there are not many people in the country who know of our existence individually, or who we are, but directly things are associated with a name (which they would be in the event of one or two men being substituted for a Board) I think you would imperil very much the collection of the revenue. I feel that very strongly. In the first place, if you put the case of two men, I frankly say this, as far as I am concerned, that if one man is away on his leave or is ill or anything of that kind, it would be almost impossible to bear the responsibility of dealing with the various things that will constantly arise.

20,909. You told us last time that your Board generally meet in full numbers, subject to certain questions of leave?—Yes; three always; three is a quorum, and I find the greatest possible advantage from it.

20,910. Then, quite apart from the question of economy, do you think as a matter of administration, from your familiarity with the work, that it is a distinct advantage to the public that there should be a Board, and not that it should be in the hands of one man and a deputy?—I do.

20,911. (*Lord Lingen.*) And that not so much with regard to the execution of the work as its effect upon the public?—Its effect upon the public is one point. The other point perhaps you will say is negative. Supposing you abolish we will say two or three Commissioners, their work would have to be done by two or three other people who would be equally highly paid. Therefore you would gain nothing, and you would lose that freedom of expression of opinion which colleagues can have, but which never is quite the same from the subordinate to the chief. You get a more free expression of opinion from men who are your colleagues than from men even in high positions who are your subordinates.

20,912. What proportion of the working hours of the day is passed by the Commissioners together sitting at the Board, and by the Commissioners separately sitting by themselves?—As nearly as I can tell you I might say the Board sit from an hour and a half to two hours and a quarter a day.

20,913. That is about a third of their time?—Yes. Then, besides that, as I explained the other day, there is what I may call a sub-Board of Commissioners in the afternoon, and I also explained that they sat in what is oddly enough called "committees" the rest of the day, a committee being one man.

20,914. (*Mr. Lawson.*) The Chairman and Deputy Chairman not being present?—Quite so.

20,915. (*Lord Lingen.*) Would your experience be that any considerable number of questions are brought before the Board that might just as well be decided by a single Commissioner, the decision being practically the adoption of the report or draft of your experienced permanent officers?—I should say that never a day passes that there are not five or six points that require considerable thought and discussion.

20,916. So far as routine work comes before the Board, one-third of the whole official time is occupying at least two very highly-paid officers who might be doing something else?—Quite so, if it were not necessary for them to be there.

20,917. Supposing that to be so?—Yes.

20,918. (*Chairman.*) You told us, I think, last time what your views were as to the capacity of the Secretariat and of the Solicitor's Department to do the amalgamated work, but, below that point, I think that your view is, as I gather from your paper, that you cannot now put in writing the exact method in which you think there would be an economy as far as regards the staff below the upper departments?—For two reasons. I think it would be almost indecent of me to put forward a scheme for another department to be amalgamated with mine without consultation with that department. That appears to me at once. The other difficulty would be this, that if I was to say that such and such an office might be abolished, I have no doubt that would raise such an amount of opposition that it would be very rash in view of my having anything to do with the future arrangement of either Board that I should state that publicly.

20,919. (*Chairman.*) I do not understand you to say that you think any of your Revenue officers could undertake Customs work as they now stand; do you think that your men are not so fully employed but what they might do some Customs work?—I will not for the moment say that collectors at small places are fully employed. I am making no reflections on them, but I mean from the nature of things that a collector at a small place can take a little more work.

20,920. You have in some places men who must be there, but whose time is not quite fully employed?—Yes.

20,921. And in the same way you imagine, and you have given us one or two instances, which you thought possibly would apply, where the Customs similarly had a man engaged who might devote some of his time to your work?—Exactly.

20,922. You say that all previous amalgamations have resulted in economy, and you give, as a main instance, the two cases of the amalgamation of the Stamps with Taxes in 1834, and the amalgamation in 1848 of the Stamps and Taxes with the Excise?—Yes.

20,923. Can you tell us what the saving principally was in the former case—was it in separate establishments and salaries?—Yes, mainly.

20,924. You give the figures in your paper of the 1848 amalgamation?—Yes, on page one.

20,925. Those are almost entirely, are they not, in the upper establishment?—I have only given the higher ranks in detail, but I believe there were altogether about 570 officers abolished.

20,926. (*Mr. Fowler.*) Was that an actual saving, or a prospective one?—What I am alluding to now was an actual saving.

20,927. Were there no pensions on reorganisation to be deducted from it?—It is most difficult to say at this time whether that was so. The next paragraph points to the fact that Mr. Horsfall's Committee (and they had very full evidence before them) said there was a saving of over 100,000*l.* a year. You see now in any question of figures we carefully add the cost and the dead weight of the pension too, always.

20,928. (*Chairman.*) The savings which were effected in those days were effected under very different conditions to those which prevail at the present day?—No doubt.

20,929. Is not it the case that since Mr. Horsfall's Committee, and since attention was called to a great many inconveniences and worse than inconveniences, there have been a great many reforms effected without any amalgamation?—Yes, a great many. I will mention one very notable reform, which took place not very long ago, as an example of others. We formerly had distributors of stamps all over the country, who were paid poundage, amounting in some cases to 1,000*l.* and 2,000*l.* a year or more in some cases. They were people with no connexion whatever with the Inland Revenue, but they were appointed by the Ministry of the day to receive this poundage. Their clerks did the work and they received the money; that has all been abolished.

20,930. (*Mr. Fowler.*) That was a piece of pure political patronage?—Yes.

20,931. The stamp distributors in times gone by were men who had no special knowledge whatever, were not they?—Yes.

20,932. In how many cases is poundage still paid to distributors of stamps?—In 57 cases.

20,933. (*Mr. Cleghorn.*) Are we to understand that even those 57 will die out?—Yes.

20,934. They will not be replaced?—No.

20,935. (*Mr. Lawson.*) How long has it been the rule not to replace these officials?—Ever since my connection with the Inland Revenue. I do not mean to say that I initiated it; I mean that I found it.

20,936. (*Chairman.*) You told us last time I think with reference to this amalgamation of the Stamps, Taxes, and Excise, that throughout the lower ranks of the in-door service the fusion had been complete?—Yes.

20,937. Supposing you had a free hand now, and this amalgamation had not taken place, does not it appear to you that a more natural amalgamation would be the Customs and Excise on the one hand, and the Stamps and Taxes on the other?—Clearly.

20,938. That amalgamation having take place in 1848, what would you say to any proposals, supposing such proposals were made, to amalgamate now the Stamps and Taxes on the one hand, and the Customs and Excise on the other?—I should say it was destroying the work of 40 years; it would be absolutely retrograde in that way. The effort of everybody since 1848 has been to amalgamate, and I think we have succeeded pretty well. This would be exactly going back upon that. Nothing is impossible in this world; but it would be a tremendous unravelling of all that for 40 years it has been attempted to interweave and mix.

20,939. But you are of opinion that in the first instance it would have been the more natural amalgamation?—Far more natural.

20,940. (*Mr. Lawson.*) I suppose the arrangements are now so complete that you would break up the department if you attempted to take that course?—Exactly.

20,941. (*Chairman.*) You see very conclusive reasons for maintaining now the fusion or amalgamation which exists of the Stamps, Taxes, and Excise; and also, as you have told us, you are of opinion that amalgamation still further of the Customs with the Inland Revenue (which is already an amalgamated office) would be desirable?—Yes.

20,942. Just a question upon the warehousing; you have told us, and your paper tells us, that there are difficulties with reference to the interpretation of the Code. I want to understand clearly why it is necessary to amalgamate the Boards, or to amalgamate the two departments together in order to get a simplification of that Code. Would it not be possible to manage the warehouses by a joint committee of the two Boards?—I think it is Utopian to hope for such a thing as that.

20,943. I cannot quite see why it is Utopian, nor where the impossibility is. Do you mean that it is hopeless to expect that the Inland Revenue and the Customs can work harmoniously together?—There is perfect friendliness existing between the Boards at present, and yet we have got to this state; and, therefore, is not that rather an argument showing the difficulty of meeting and trying to arrange these questions?

20,944. Perhaps you would define what this state of things is. We do not know at present what the view of the Customs is, or what the view of the trade is; but I imagine that the view of a good many of the Customs people very possibly is that amalgamation is not necessary, and that they would not admit a state of things which called for any very great alteration?—May I give you that state of things as regards that code only? I quite understand your question why the Board should not meet and settle these things. That is rather difficult to answer. We do settle them, but then the difficulties arise equally from the primary interpretation. I hope you understand there is no friction whatever

Sir A. West, K.C.B.

22 Nov. 1888.

between the Boards. All our communications have been most friendly in every way; but since the 1st January 1885, when the present code came into operation, I have written down the number of cases where that code has had to be altered. Twenty-seven general orders have been issued to the Service making changes therein at the instance of one or other of the departments, which have necessarily had to be considered and agreed upon by both. These changes have affected about 76 of the 633 paragraphs of which the code consists.

20,945. (*Lord Lingen.*) Do not you collect these separate orders and then re-edit the code every year?—We have not done so yet.

20,946. That would be an obvious improvement, would it not?—Except that it would be a great expense to do it every year.

20,947. I suppose half-a-dozen pages of print include the whole code?—No, there are 633 paragraphs. However, I quite admit, without arguing that, of course it would be the simplest thing to re-edit it as you suggest. It is the mere matter of expense that has prevented us doing so.

20,948. It is what the Education Department has done every year for the last 20 years?—Of course all these general orders are filed and kept in the different offices.

20,949. Still it must greatly increase the labour and the uncertainty of the officer on the spot who has to decide in a minute if he has got the code before him, and then has got to hunt up all these loose papers?—I will see what it would cost to adopt your suggestion.

20,950. (*Chairman.*) I do not quite follow you as to how the necessity of making these changes in the code arises from the fact of there being two Boards. I quite understand that in a complicated code of that sort the necessities of the trade require alteration from time to time, but how is that owing to the fact of there being two Boards. Of course there must be communications and correspondence between the two Boards before you settle the alterations in the code. That I can understand?—And that you will understand would be obviated if there was one Board. That is obvious; then you say why does it arise now?

20,951. Why do you have more changes in the code because of the two Boards?—Because we have different and distinct opinions. That is a point, of course, that might be met by our meeting together. I will give you an instance—I am afraid I am repeating it—that instance which occurred about transfers in warehouses. That was a point on which the Boards differed. The Treasury instructed us to make the alteration that we thought right, and left the Customs to do that which they thought right. There was then a distinct difference of opinion between the two Boards. Of course that might be met by communications.

20,952. When there is a difference of opinion between the two Boards I presume the Treasury decides?—Yes.

20,953. I think you state in one of your papers that already the Treasury has sanctioned a difference of practice in the case of goods coming under your Department and under the other?—Yes.

20,954. That you say is objectionable?—In my opinion, very.

20,955. (*Mr. Lawson.*) Do these differences of opinion occur frequently?—Still touching upon the warehousing code only they have occurred since 1885, in many instances, and as I have already said, 76 out of the 633 paragraphs have had to be altered in consequence of those differences.

20,956. Differences of what kind?—Differences of practice and interpretation. I know it is an argument against my view, that these conflicts may be of some advantage, the rivalry of the two Boards and of two men may be of some advantage. I see the force of that argument, but I say that that rivalry always results in a loss to the revenue, because, as I explained on the previous occasion, the keen and zealous officer is naturally anxious to attract goods to his warehouse that are in the other Departments' warehouses, and therefore any concessions that he may make are not disastrous, but are inconvenient, I will put it, to the revenue.

20,957. (*Mr. Fowler.*) You mean a loss to the revenue but a gain to the taxpayer?—Exactly.

20,958. And the taxpayer in this case I suppose would mean the public?—Yes.

20,959. (*Chairman.*) You tell us that you think that the putting of the warehouses under one establishment would be a very good reason for the amalgamation, and that 97 per cent. of the Customs' revenue is collected in the warehouses; have you considered how much of the work of the Customs is done before the goods get into the warehouses. Perhaps it is hardly a question which you can answer, but I believe the bulk of the work of the Customs is done before the goods get into the warehouses, is it not?—Do I understand you to ask this: Supposing the warehouses as contemplated by our Committee of 1882 were eventually transferred to the Inland Revenue Department, whether in my opinion the Customs on the Quays and on the Docks would be able to diminish their staff?

20,960. I was not going into the question of diminishing their staff?—It would not diminish their duties a bit; it would not diminish the seaboard duties.

20,961. I want to get from you the proportion of the work that is done by the Customs. The argument, I understand, to be this, first it would be easy to fuse the warehouses and to have them all managed by one Board, and then the argument goes on that as 97 per cent. of the Customs revenue is taken in the warehouses, therefore the three per cent. of the Customs work outside is not worth thinking of as requiring an extra Board; would it not be more correct to say that fully one-half or two-thirds of the Customs work is not directly the collection of the revenue but the dealing with goods before they get into the warehouses?—It is so.

20,962. So that practically two-thirds of whatever the proportion may be would remain the same and the responsibility the same whatever happens to the goods when they get into the warehouse, although the revenue is there collected?—Certainly. I will give you the exact figures. I am quoting from the Customs own return, and therefore I give them without hesitation. They have a total number of established officers of 4,485.

20,963. (*Lord Lingen.*) Does that include everybody?—It includes all their established officers. The officers employed in warehousing, by which I mean employed inside the warehouses, are estimated at 1,215.

20,964. (*Mr. Cleghorn.*) Out of that 4,500?—Yes.

20,965. (*Chairman.*) Therefore, there are a good many employed, are there not, both in the warehouses and outside?—I suppose there would be, there must be some; but the Customs have given this return of the number that they employ in warehousing, and whether they include some of the outside men or not I do not know. I was including only those employed "in warehouses," as they call it, and I should think that meant "in the warehouse."

20,966. (*Lord Lingen.*) Then those men inside, you think, do no out-door duties at all?—I would rather you took that of the Customs, but I imagine from their return that they do not. That would leave the balance employed on the quay and in the docks performing those various duties for the Board of Trade and other Departments which they mention in their memorandum.

20,967. (*Chairman.*) I only meant to press you to an opinion as to how far it was quite fair in a matter of comparison to say that the Customs revenue being collected to an extent of 97 per cent. of it in warehouses, therefore there did not appear any necessity for the Board of Customs if the warehouses were taken away?—I did not go so far as that, but I think I said this, and I can say it now, that if the warehousing was transferred—I dislike putting it in the way I am about to do, because it looks as if I really meant transferred to the Inland Revenue.

20,968. Put it "To one Revenue Board"?—I must say the Inland Revenue to carry out my argument for the moment. Supposing you said all these warehouses can be transferred to the Inland Revenue Board, and the 1,215 officers now employed by the Customs would come with them natually; you then would leave (and this is my argument) a board with all its highly paid officers, such as secretaries, law officers, accountants, and so on, to collect a revenue of less than half a million, and to do, of course, the sundry works for the Board of Trade and other departments.

20,969. I do not know, perhaps, that one need press you any further on the subject, but is it fair to take the mere receipt of revenue as a test of the work that is done by the Customs; is not the whole responsibility of

the previous dealing with these goods before they come into the warehouse really the main business of the Customs?—Only as regards the revenue they collect from them, at least it appears to me so.

20,970. It is quite true that the money is received after the goods have been in the warehouse, but is not it the business of the Customs to see that the proper bond is given for those articles, and that dutiable articles do not get in scot free, and so forth?—Quite so.

20,971. Although the money is not taken until after they have been warehoused?—Quite so; I do not in the least want to say otherwise. If we are comparing what is commonly called the two Great Revenue Boards (that is the point of my argument), then I naturally wish to ask what is the revenue collected by the two Great Revenue Boards.

20,972. (*Mr. Lawson.*) In the same way though not to the same exent, it is the duty of the Excise officers to prevent frauds upon the revenue, is not it?—Certainly.

20,973. (*Mr. Fowler.*) But is not there a great preventive service in the Custom House?—No, the preventive service proper (I hope I am speaking correctly) is the Coastguard. The duties of the Customs Board many years ago, before the simplification of the tariff before the repeal of the Navigation laws with preferential duties to all the colonies, were enormous because they had to know in the case of a ship coming from a colony where the sugar was, whether it was to be charged one rate or another. All those duties were enormous, and then they were very properly called the two Great Revenue Boards, but I think now to call them two Great Revenue Boards is a misnomer.

20,974. (*Lord Lingen.*) You would not find a Coastguard officer on the Quay either in the port of London or in the port of Liverpool, would you?—They watch the coast, as I understand, entirely.

20,975. Generally speaking, the coast outside the limits of the port?—No doubt.

20,976. (*Mr. Fowler.*) Are they under the Admiralty?—They are under the Admiralty. If you go to Beachy Head, for instance, you will see them.

20,977. (*Lord Lingen.*) Within the very large limits of the ports all the preventive service there is done by Custom House officers, is it not?—I suppose so.

20,978. If a lot of sailors were landed from a steamer in a bumboat in Liverpool there would be no Coastguardsmen to receive them on the quay, but it would be Custom House officers. They might or might not have a lot of spirits or tobacco on them, but the Custom House officers would have to look to that?—I imagine so.

20,979. (*Chairman.*) I put it to you in this way. You talk of a revenue of 20,000,000*l.*, and you say that a large proportion of that is received through warehouses. Is not it the fact that whatever becomes of it after it gets into the warehouses, whether it is dealt with by one Revenue Board or two, with reference to the 19½ millions, or whatever it may be (it is something like that), would not the work of the Customs remain the same, and would not that work be to see that these goods did not get in without paying their proper duty?—Certainly.

20,980. You might make the same comparison of the collection of the revenue on your own side pure and simple, because a good deal of your revenue is collected more cheaply than other kinds of revenue—a good deal of it, for instance, is merely receiving a cheque?—Certainly.

20,981. Does not that imply so much preventive work, measuring work, and weighing, and so forth?—Of course.

20,982. (*Mr. Lawson.*) Supposing that one were coming through from the Continent, take it to Victoria Station, is it a Customs House officer that we see when the luggage is examined?—Yes, and that is my point. The question I should like asked of somebody, not of me because I could not answer it, is what these Custom House officers do when the train is not coming in. I do not imply that they have got nothing to do, but I do imply that the dovetailing of the two services would be complete, and that those men could be employed on Inland Revenue business till the next train comes in.

20,983. (*Chairman.*) The Customs House man must be there, and still it is equally certain that during a great portion of his time he would have nothing to do, and you say he might just as well be doing Inland Revenue work?—That is my point. I do not go quite so far as to say he has nothing to do, because he may go back to the Customs, but at any rate he might do our work on the spot where he is; that is my idea. Take Victoria Station, we should have an officer at Victoria Station, and during the intervals between the trains coming in, he would be employed in the many duties that devolve on our officers.

Sir A. West, K.C.B.

22 Nov. 1888.

20,984. (*Mr. Lawson.*) As a matter of fact the Continental trains to Victoria are only a few in the day?—Exactly, and they are at fixed periods.

20,985. (*Chairman.*) There is only one other point at present with which I wish to trouble you, and that is with reference to the action of the Treasury Warehousing Committee and the results which followed it. You have given the history of it in your paper, but I want to get perfectly clear as to why the progress of transferring the warehouses was stopped. I rather think you give a reason different from that given by the Customs. Perhaps you will tell us in your own way how it was. The recommendations of the committee were, were they not, that wherever possible the duplicate establishments should be done away with and the warehouses put under one board. The Customs say in their memorandum that the opinion of the committee was erroneous?—There is something I am afraid rather antagonistic to the Customs, but I have been asked the question so I must answer it. I can tell you exactly how it occurred, because I was at all the interviews with the Chancellor of the Exchequer and the Chairman of the Board of Customs. It occurred in this way: whether the recommendation was erroneous or not, it was not supposed to be erroneous at that time, because we have given enormous labour to it. You must bear in mind that the Chairman of the Customs was on that committee. We unanimously made the recommendation that this should be continued at 42 out of the remaining ports. What happened was this: I was extremely anxious, and I have no doubt Sir Charles Du Cane was equally anxious at that time that there should be no conflict of opinion between us, and I therefore settled with Sir Charles Du Cane to proceed with our inquiries at those ports that he agreed we might make savings at. Eleven ports were selected, and I hoped that when we got over those 11 ports we should go on amicably, but anyhow that we should go on. The 11 ports that were chosen to be proceeded with were these, Aberdeen, Dundee, Exeter, Limerick, Londonderry, Newry, Plymouth, Portsmouth, Sunderland, Waterford, and Whitehaven. So far we were in perfect unanimity. We were then furnished by the Chairman of the Board of Customs with the figures that it cost them to collect the revenue from the warehouses at those ports, and we were told to make an estimate of what we could do them for. I need not say that we made an estimate, knowing that we should be criticized—very warmly I will put it—a very safe estimate, an estimate which we hoped was excessive, but still we thought it a right and fair estimate to put forward. Sir Charles Du Cane and one of his practical officers called upon me at Somerset House, and they said: "Our actual cost of conducting the "warehouse in Aberdeen in 1883 was 1,393*l.*" The Inland Revenue estimate was 1,200*l.* Mr. Fleming (I forget what office he held; he held a high office in the Customs) said to me: "Now, I have been to Aberdeen "myself; I have spent a week there, and I assure you "that you cannot do it for 1,200*l.*, that there is not "one penny to be saved out of that 1,393*l.*; it is im-"possible." I was still very anxious to avoid points of controversy, and I said, "Very well, let us leave for the "present Aberdeen alone." We came to Dundee, where the cost of the Customs was 1,880*l.* We had estimated 1,400*l.* He told me exactly the same, and I said, "Very "well, let us leave Dundee aside out of the question." We then came to Exeter, where the cost of the Customs —I will not put the shillings in—was 1,108*l.* We estimated it at 860*l.* At Limerick the cost of the Customs was 904*l.*; we estimated it at 710*l.*

20,986. (*Lord Lingen.*) Just interrupting the list for one moment; did the Customs in that include not only the indoor warehouse service; but the preventive part of the story as well?—No; I take it they were actual officers inside the warehouse; even cash-taking officers were excluded.

20,987. Inside?—Certainly.

20,988. (*Mr. Cleghorn.*) You estimated, as I understand, to do for these smaller sums the same work as they did for the larger sums?—Exactly; and therefore

Sir A. West, K.C.B.

22 Nov. 1888.

it applied solely to warehouses proper. To go on with the list, the cost of Londonderry was 597*l.*, we estimated it at 440*l.* I said before that I am leaving out the shillings, but I want to tell you that there are shillings in all these cases to show the extreme accuracy with which they give the actual cost of the Customs. At Newry they said it cost 710*l.* We said we could do it for 465*l.* At Plymouth the cost was 2,540*l.* We said we could do it for 1,600*l.* At Portsmouth they did it for 933*l.*, and we said we could do it for 540*l.* At Sunderland they did it for 1,387*l.* We said that we could do it for 1,055*l.* At Waterford they did it for 650*l.*; the Inland Revenue said they could do it for 490*l.* At Whitehaven they did it for 858*l.*; the Inland Revenue said they could do it for 500*l.* The totals of the cost of the Customs for those eleven ports was 12,964*l.* 5*s.* 4*d.*, to be very accurate; the estimated cost by the Inland Revenue was 9,260*l.*

20,989. (*Mr. Harvey.*) At the time you made your estimate did you know the actual cost to the Customs?—I think so.

20,990. (*Chairman.*) Upon that point will you kindly take in your hand the correspondence which has recently passed between yourself, the Treasury, and the Customs with reference to those ports. It would elucidate those figures; look at page 7 of that correspondence?—I have not seen this reply of the Customs.

20,991. Can you explain the discrepancy, taking those nine ports which you last referred to, namely, from Exeter to Whitehaven, the Customs state there that in their report to the Treasury in 1885 they show that whereas the cost in their own accounts of the working of the warehouses by the Inland Revenue was estimated by that Department at 6,160*l.*, the actual cost of their administration by the Customs was 5,771*l.* per annum. I want to know how that can be explained?—I will explain that. Now comes the reason: I have been a long time getting at it, I am afraid, but I thought you would like to hear the whole history. Now comes the story of why this was stopped. Sir Charles Du Cane went to the Chancellor of the Exchequer with me, and he no doubt put the figures somewhat in the way that I have been giving them to you. He said, "Take the "case, we will say, of Plymouth"—I take a good case for myself—"the figures that I gave were 2,540*l.* The "Inland Revenue say they can do it for 1,600*l.*, we "can do it for 1,270*l.*" Of course I do not blame the Chancellor of the Exchequer for saying: "Very well, "if you can, well and good." Let me now read you the final estimate of the Customs which was after they were, shall I say, challenged.

20,992. In the paragraph I have referred to they state that the figures they give there were given by them to the Treasury in 1885. Do you mean that when they stated that the actual cost of the administration by the Board was 5,771*l.*, and then said that they could in future do the work for 1,270*l.*, that last figure was only an estimate?—It must have been.

20,993. They say here "the actual cost" of their administration was 5,771*l.* for the warehouses at these ports?—In what year?

20,994. I suppose in the last year before 1885?—That was no doubt afterwards.

20,995. Was that in consequence of this friendly auction that took place between you and the Customs that the Customs so reduced their cost that in 1885 they were able to tell the Treasury that the actual cost was 5,771*l.*, the estimate that you had given for those nine ports being 6,160*l.*; is that the explanation?—No doubt. Now I will go on. They gave us the actual cost. We gave an estimate. I must say the estimate was made after careful examination.

20,996. (*Mr. Cleghorn.*) Had you the materials for making the estimate?—Yes.

20,997. (*Chairman.*) It was a purely warehousing estimate?—It was a purely warehousing estimate, but it was an estimate, as I have said, after very careful and serious consideration.

20,998. (*Mr. Lawson.*) With reference to the question put to you by Lord Lingen upon this point, I suppose it was clear all through that only warehousing was in question, not preventive service?—Quite clear. Now, having given our estimate formed on the figures given me by the Chairman of the Board of Customs, the Board of Customs came and said, "It is true we pay at "Exeter, 1108*l.*; the Inland Revenue say they can do "it for 860*l.*; we can do it for 640*l.* We are now "paying 904*l.* at Limerick; the Inland Revenue say "they can do it for 710*l.*; we can do it for 737*l.*," which is a little increase. "At Londonderry we are doing it "for 597*l.* The Inland Revenue say they can do it "for 440*l.* We can do it for 505*l.* At Newry the "Customs are doing it for 710*l.*; the Inland Revenue "say they can do it for 465*l.*; we can do it for 577*l.*" Now comes the most curious one of all. "At Plymouth "where the Customs are doing it for 2,540*l.*, the Inland "Revenue say they can do it for 1,600*l.* We can do it "for 1,270*l.*"

20,999. (*Chairman.*) Then, as a matter of fact, it was done for these figures?—It appears to have been done for even less.

21,000. The total of the figures that you have now given in the estimate of what the Customs could do it at?—Yes, but my inference at the time was this. When we took 11 ports out of the 42 (and recollect I only took these 11 ports, because the Chairman of the Board of Customs and myself agreed upon taking these 11 ports. I had no intention of stopping at these 11 ports, but my argument and inference was this—if where we challenge your cost at these 11 ports, when we say that you do it at 12,964*l.*, and we can do it for 9,260*l.*, and then you come and say you can do it for 9,433*l.* odd, which is very much less than you are doing them for at the present time. I then say that surely the same argument will apply to all the 42 ports in question, and I should like to know very much whether these economies were made in those ports as they have been made in the ports that were challenged.

21,001. (*Mr. Lawson.*) Was that reduction made in one year by the Customs in consequence of your decreased estimate?—I imagine it was made between 1883 and 1885.

21,002. Still, for the years preceding it, those figures had been true, or roughly so?—I imagine so. They were given me by the Chairman of the Board of Customs. I hope you see my argument. We say we can do it for less, and they say "we can do it for still less." Then I say, "you can do it for all the ports," but I do not know whether they did it for all. I am afraid on this point I have been a little controversial, but I wish very much to avoid that if I can.

21,003. Can you tell us with regard to those ports which you have given, what the total reduction made by the Customs was in those two years?—The figures I have read out to you were given me by the Chairman.

21,004. You cannot tell us whether, with reference to the other ports, there has been any other reduction on the part of the Customs with reference to their warehouses corresponding to the reduction in these cases?—I cannot tell you, but I have no doubt there has been, as I believe the economies lately made by the Customs have been very large indeed.

21,005. (*Lord Lingen.*) Am I right, then, in assuming that, as far as you know, this is the state of matters when the Customs were called to account, or had to account; they showed a charge of 9,260*l.* a year, whereas now they show that that same service is done for 5,771*l.* Is that the state of matters?—Certainly, so far as 9 out of the 11 ports are concerned.

21,006. (*Mr. Lawson.*) That was done in two years in consequence of the challenge?—In consequence of that committee.

21,007. You do not know, and therefore I suppose we shall have to find out from the Customs whether the same searching economies have been introduced in the other ports for which you did not estimate?—I do not know.

21,008. (*Chairman.*) Is the inference you draw from that that the mode of managing the warehouses on the part of the Customs is more expensive than the mode of managing them by the Inland Revenue?—I am clearly of opinion that it was much more expensive. I distinctly say "was." I do not believe it is a bit more expensive now.

21,009. Not now?—No. I should not be surprised to hear it was the other way.

21,010. Then as far as regards the warehousing generally, and the cost of getting warehouses erected all over the country, I understand you to say that whatever was the past history of the thing, at present you consider the management of the Customs as economical as your own?—Yes, as far as I have the means of judging.

21,011. As far as you can judge you do not at all wish to say that their management of the warehouses they still have is more expensive than yours?—No.

21,012. (*Mr. Lawson.*) Could not we have some comparison with regard to London? Could you give us any figures with regard to London?—No, that was purposely left out; it is so big.

21,013. (*Lord Lingen.*) Your proposal is for the management of the warehouses, not by any joint committee of the boards, but that the warehouses should be bodily handed over to you, is not it?—No, I said that for the sake of answering the Chairman's question, but I should not like at all to put it in that way. My contention is that the whole of the warehouses ought to be under one board, not at all that they should be handed over to us.

21,014. Therefore the management of the warehousing is only a part, in your view, of the general question of amalgamation?—Yes.

21,015. I do not find in either your estimate or the Custom's estimate, any class of men described as warehousemen. Are they "Outdoor Officers" who constitute that class?—Yes.

21,016. What would your people be described as?—Outdoor officers, supervisors, first and second class officers, and assistants.

21,017. (*Mr. Cleghorn.*) Do I understand you that in your contemplated fusion of the two systems the Inland Revenue could not conduct the warehouses at a smaller cost than the Customs do now?—I have no ground for saying so. I believe that since 1883 the economies have been so great in the Customs that I should not contemplate any further economy. Of course there would be in the fusion, the economy which we have talked of before in the head office, but you mean economy in the warehousing proper as I understand, and I do not know of any economy possible there. I will not say I do not contemplate it.

21,018. Then the economies you contemplate would be confined I take it to the upper spheres?—So far as regards the warehouses.

21,019. And the general?—Not the general economy.

21,020. (*Mr. Lawson.*) In other answers you said there could be economies effected in these outposts?—Yes, but not in the warehouses, I was trying to separate them. I meant to say, if we take over a warehouse at a particular place that was looked after by Custom House Officers, as regards those officers I do not anticipate any economy if they are looked after by Inland Revenue Officers.

21,021. (*Mr. Cleghorn.*) Have you gone into any other branch of the service so as to enable you to give anything like an idea of the possible economies that might be made in other branches of the Customs work?—I have gone into it to this extent only, I am sorry to say, as any other man looking at the question might do, without any special knowledge. I have given to the Chairman a map showing the various places where there are Inland Revenue officers, and where there are Customs officers, but I have tried to argue that it is impossible at some of those places that there can be sufficient work to employ the double set of officers all through the day, and there I should look for great economy.

21,022. You have not put it into pounds?—I cannot put it into pounds.

21,023. (*Mr. Harvey.*) I observe the Customs say that the gross average sums set down in the Estimates per officer for the Inland Revenue is greater than in the Customs; do you know whether that refers to a period before this change to which you have referred in these nine warehouses?—No, it is now.

21,024. Now?—With a qualification. The difference between our opinion of that statement would be this: they include a lower rank of officer than we have at all at a lower salary; and therefore, if they take their average salary per man it naturally is smaller than the average salary per man of an Inland Revenue officer.

21,025. Then your explanation is, that you think they do not include all the men in the Excise Branch?—Yes, but there are a certain class of officers in the Customs which we do not possess, such as outdoor officers, at very low salaries. That of course diminishes the average. They put the average salary per outdoor officer, not including watermen and boatmen, at 152*l.*, but the only average we think that would be useful if anything was contemplated in the way of the amalgamation of the services, would be to take, for the purpose of comparison, those classes of officers who are engaged on similar duties. I am supposing for a moment that there was a fusion of the services, the lower branch of the Customs would remain a lower branch of the Customs; they would not be affected, and then the real question of fusion would come in that class of officer engaged on similar duties. Therefore, for the purposes of comparison, I should take all our officers who are engaged in what we call charging revenue—that is responsible work—and all their officers who are engaged in charging revenue, and omit altogether from the calculation such officers as outdoor officers, boatmen, glutmen, and men who merely perform either mechanical or manual labour.

21,026. (*Chairman.*) Supposing you do that, could you say whether the pay which you give the man for your work is upon the same scale as analagous work is paid upon in the Customs?—Yes, if I am correct in saying that their first and second class outdoor officers are not engaged in work similar to charging, I then should say that the average salary for their officers would be 206*l.* a year. In the Inland Revenue, following the same rule, I should say our average salary was 176*l.* per man as against 206*l.*

21,027. That is a very important point, is it not?—Very.

21,028. So far as you are familiar with schemes of amalgamation, has not it been the unfortunate fact that levelling up has generally been the rule more than levelling down?—I have heard of such things, but I cannot say I admit it.

21,029. As you very properly say, if you are right in making certain assumptions with reference to the charging of the work by the Customs officers, you make a comparison between 206*l.* and 176*l.* respectively for analogous work?—Yes.

21,030. If those men were amalgamated would not the 176*l.* man expect to go up to 206*l.*?—I do not know what he might expect.

21,031. Would it not be a probable result?—I hope not, I think not.

21,032. (*Mr. Harvey.*) At all events you see no reason for conceding such a claim?—No, none at all. I have talked a good deal over the economies that would result from this amalgamation, of course I wish it to be borne in mind so far as my opinion is worth anything that there must be future prospects, that you will not, if you amalgamate these boards to-day, find an extraordinary decrease in the estimates of next year, because I think that you would not for a moment contemplate going down to a place where we have two collectors and saying to one, "Now you must be off, and go at once." My idea would be, that anybody who presided over or guided the amalgamated board would watch his opportunity as vacancies occurred. You must recollect that our opportunities are so enormous, because in these two large services the constant entrances are so great, that it is much easier to make economies without hurting anybody than it is in smaller departments. The constant number coming in stopped for a few years would make a very sensible effect upon the estimates. But I should be very sorry to suppose that you would go to any of those officers holding high salaries, and say you must go to-morrow because there is an amalgamation and you are not wanted. I think one would be forced out of that before long. Therefore it would be a gradual economy which might be spread over four or five or six years, and I hope, whoever had to manage this, would be allowed to follow the recommendation of this Commission as to the retirement at a certain period of service. That would enable you to make very large reductions much sooner than you could otherwise.

21,033. (*Lord Lingen.*) In every port and Excise town apart from the outdoor service, is there not a large clerical establishment. The Customs collectors have got a number of clerks, and your collectors have got a number of clerks?—Yes.

21,034. All that service would be more or less identical in its character?—Yes.

21,035. (*Mr. Harvey.*) Now, so far as the public are concerned, can you say that there has been any expressed wish on their part that there should be a further fusion?—I do not know that this would be very respectful to the trade, but I am perfectly convinced that if you open your doors to hear evidence, you will find that there will be three classes of men who will come before you There will be the trader who, with

Sir A. West, K.C.B.

22 Nov. 1888.

an eye to his own profits, will like the two departments. I know that view has been expressed very often, not for convenience of business, but because they can work one department against another, for that reason you will find a great many cases of traders who will tell you that.

21,036. (*Lord Lingen.*) The effect of that being against the Revenue?—Yes. You will find on the other hand a large number of traders who will tell you they prefer the Customs. You will find I hope a large number of traders who will tell you that they prefer the Inland Revenue. But all I venture to say is this, that you will not find two traders of any importance who will tell you that they have been under the Customs, and now are under the Inland Revenue, but would wish to go back to the Customs,—at any rate, I think so; of course I may be wrong.

21,037. (*Mr. Harvey.*) Might we interpret that to mean from the standpoint of the Revenue, that that was not because the Inland Revenue Department was more lax with them, but because it was perhaps easier to work with them?—Yes.

21,038. The Revenue does not suffer?—Not necessarily.

21,039. (*Mr. Lawson.*) So far as you know in that classification you have given, you would find two thirds in favour of doing business with one board instead of the two boards?—I expect so.

21,040. According to your estimate?—Certainly; I do not want to repeat myself. I have seen a great many of those traders. There may be a certain amount of bias in talking to me, possibly, I do not say there might not, but I have never come across one who would prefer two boards.

21,041. (*Mr. Harvey.*) Still you are not in possession of actual written complaints because there two boards?—I have heard very often traders express an opinion to me very hostile to the existence of the two sets of officers they have to deal with, and the extreme inconvenience they suffer from it.

21,042. (*Mr. Lawson.*) Following up the question of salaries, I want to ask you whether taking two classes of outdoor officers in the two departments, you would find that almost invariably the Customs officers are better paid than those in the Inland Revenue?—There is one great thing which must be considered in the very difficult question of comparisons. There is a great deal of extra pay I expect which the Custom House officers get or got—it may be stopped. We never allow extra pay, and formerly (I particularly want to say formerly) the practice always was in the Customs, and still I believe exists to give extra pay whenever it is required by the merchants to the Custom House officers.

21,043. (*Mr. Cleghorn.*) Do you mean for being employed on extra time?—Yes, and of course the tendency between warehousemen and Custom House officers was to have that extra pay.

21,044. Then do you imagine that if you had those men under you, you would not allow them such extra pay for such extra length of duty?—Certainly not.

21,045. (*Mr. Lawson.*) Taking the two grades of your officers, they are called officers of the first and second class, is it fair to compare them with the examining officers of the Customs?—Certainly.

21,046. I find the Customs have a considerably higher maximum. Taking your officers of the first and second class I see they go up to the maximum of 220*l.* in the first class, and 140*l.* in the second, there are only 2,500 in all of them. The examining Officers of Customs go up to 300*l.* in the first and 220*l.* in the second. I see there are not anything like the same number. Do these men represent much the same class?—I imagine so, but of course that ought to be found out by a conference between the Customs and the Inland Revenue.

21,047. Then do you prefer not to give any opinion as to the general range of salaries?—Yes, because it always leads to these controversies that such and such a one's duties are much more important than anybody else's.

21,048. But you do not see any reason why, assuming for the moment that there is a rather higher range of salaries, there should be any levelling up on amalgamation?—No, not at all, there ought to be a judicious fusion. I do not say but that this may happen, that some men will be allowed to keep those salaries till the end of their time.

21,049. When there is an amalgamation there is sure to be some assimilation of salaries, that is almost inevitable, do not you think so?—I think it is.

21,050. Do you think it will be possible to level down in this case?—Certainly.

21,051. It would not be possible to have permanently under one great department men doing the same duties under different rates of pay?—No, but I am distinctly of opinion that there is no question of levelling up to make it pleasant. I do admit this to say the worst against my own argument, that for some years, I think there will be a demand and a reasonable demand for a certain amount of personal allowances.

21,052. That is rather apart from that?—Yes, I only wanted to put it at the worst.

21,053. I will take you back for one moment to the amalgamation in 1848 between Stamps, Taxes, and Excise. I think in a previous answer you said that only affected the upper staff. Was there no attempt made so far as you know (of course it had nothing to do with you personally) to amalgamate the lower branches of the service, and, why has no attempt been made hitherto, is it because it is impossible?—As far as possible that has been done and a very large saving has been effected.

21,054. These are all officers of the upper grade?—All are who are put in the earlier report because they are the principal people who were thought much more of in those days.

21,055. Can that be carried any further?—In those higher ranks?

21,056. No, in the lower ranks; it has been suggested to me that there is not sufficient amalgamation between the lower officers at the present time under the Inland Revenue, and that it might be carried further and a great saving effected?—I am not aware of that, but I can only say that wherever I find I can do it, I am always tending in that direction.

21,057. Take the surveyor of taxes, do you consider his time is fully occupied at present with his present duties?—Absolutely.

21,058 And that it is absolutely impossible for him to take over any others?—Quite impossible; every hour of the surveyor's time is occupied.

21,059. When you were here last time the question was raised as to whether there was such a department as a laboratory at the Customs; could you give us any particulars, or do you know anything of the existence of it; we could not find it on the list?—I was in the same difficulty as yourself, but as far as I have been able to ascertain there are at least 34 officers employed in chemical work and distilling wines in the Customs' laboratories, with rank and salaries below ours. There are 30 examining officers who get from 110*l.* to 300*l.*, and four outdoor officers who get from 55*l.* to 100*l.* a year. They are in the Estimates.

21,060. Do you consider these men would not be required, supposing that on an amalgamation there was one large laboratory department?—I think there might be a very great saving there. I want on this point to answer a question put to me by Mr. Fowler the other day, whether it might not occur (it was not so in the case I gave him of the sweetened cigarettes) that our Inland Revenue officer should be a very bad one and the Customs a very good one, and therefore the story might be told in another way. What I did not sufficiently explain was this: my contention should have been, and I ought to have put it plainer, that our laboratory being a much higher class office for the reason that we do the test operations for every department of the State, I may say for the Government entirely, therefore of necessity we must have a chemist of very high professional rank, who is not so likely to make a mistake as chemical officers employed with low salaries, and with only a certain amount of chemical knowledge. That is how, I contended, the mistake arose with the Customs in that case of the sweet cigarettes. You must have one higher chemical officer for the duties of the whole Government.

21,061. Are there any chemical officers except in London?—Yes, there are.

21,062. Have you chemical officers elsewhere?—Yes, at 9 or 10 places.

21,063. Have the Customs also in the same places and in the same way?—Yes, at the same places; there are two chemical establishments.

21,064. You think there might be a saving with regard to these?—Certainly.

21,065. In the selection that you made of ports, to which the memorandum which you have been quoting and dealing with to-day refers, why were those particular places chosen, was it because the Customs expenses were supposed to be so very extravagant there?—No, not at all, but this was my reason. You will understand there are over 60 ports to be dealt with. The Chairman of the Board of Customs, Sir Charles Du Cane, said, "You cannot do it here, you cannot "save anything there," and as I have been trying to explain I was very anxious to go hand-in-hand with the Chairman of the Customs at the time. I said, "Where "do you think we could make economies?" and at his wish we began with those 11 ports.

21,066. You do not say that they are places exceptionally expensive to the Revenue on account of the existence of the double establishments?—No.

21,067. (*Mr. Fowler.*) Do you base your view of the desirability of this consolidation with regard simply to economy, or with reference to efficiency and public convenience?—All three.

21,068. I want to know which you put the stress upon?—Economy, I should say first; public convenience next; improved administration (pray remember not from the Inland Revenue over the Customs, but from one general Board) third.

21,069. Supposing that the economical view should, upon investigation, turn out to amount to a small sum, should you then advocate it as a necessary change on the other grounds?—Yes.

21,070. Assuming that we save nothing, would you think it desirable?—Yes.

21,071. It would promote the public convenience to have one department, and it would promote a unity of administration in the revenue totally irrespective of what it cost?—Quite.

21,072. Do you consider that the amalgamation between the two departments could be made so thorough as not to require a separate administration for the Customs?—Quite.

21,073. And would you extend that answer to what I have previously called the preventive service?—As far as the Customs do it now.

21,074. In the warehousing department you see no necessity for any separation whatever?—None whatever.

21,075. And you think in course of time the Inland Revenue officers could discharge the preventive duties?—I do not like to put it in that way. I do not see why you say Inland Revenue officers, they would no longer be Inland Revenue officers. A Custom House officer and an Inland Revenue officer is composed of the same material originally, he goes through instruction either from the Customs or from the Inland Revenue. If there was an amalgamated service he would go through instructions which would combine the two, and therefore in a few years you would not have an Inland Revenue officer doing Customs work, or a Customs officer doing Inland Revenue work, but a Revenue officer.

21,076. That is what I mean; the amalgamation would be so thorough?—Yes. I should like again to say one thing which I said before. I have only heard quite lately that people say, "Bless me, take the "Customs officer away; what will you do; how on "earth could your Inland Revenue officers do the "work"? What I want particularly to press upon you is, so far as my opinion is worth anything, that no immediate change would take place. I mean that no Custom House officer would be taken away, but that that Custom House officer would be a Revenue officer in addition, and that he would have the same training, the same knowledge, and the same efficiency that he has to-day.

21,077. The amalgamation in the first instance, if carried out, would simply be in the Controlling Department?—Solely, if my wishes prevail.

21,078. Then in course of time it would descend down into the lower ranks, and, as you say, an officer in the Customs and an officer in the Inland Revenue would become an officer of the Revenue?—Exactly.

21,079. And he would be apportioned to his work?—Exactly.

21,080. But are you quite clear that, in your judgment, in the Controlling Department it would not be necessary to have a separate branch for the control of the Customs?—Quite clear.

21,081. Although, as I understand you, in the other departments you have separate branches?—Not in the higher ranks—not in the Board.

21,082. I thought I understood from you there was a division of duty?—There is a division of duty, but they alternate every week, and therefore there is no real division.

21,083. There is no one Commissioner who permanently attends to Excise, and another to Taxes, and another to Stamps?—No.

21,084. All three do the work interchangeably?—Yes.

21,085. And you think the same rule can be applied to the Customs?—Yes.

21,086. (*Lord Basing.*) A comparison is often made, and I think it was given by you the other day between the relative cost of the two establishments measured by the gross revenue that they collect. Does that take into account the relative quantity of work or duty done for the State by the two departments respectively in regard to non-dutiable articles?—Certainly not.

21,087. Then may I go further and say that the Customs office is largely engaged in doing public work—in taking account of the import of non-dutiable articles?—Yes.

21,088. Therefore it conveys a fallacious notion of the cost of the Customs establishment if they are put down as per-centage upon the revenue they collect, if you remember the great quantity of statistical and other work for the State against which no such set off can be placed; that is so, is it not?—Quite so.

21,089. Is there any work done by the Inland Revenue which can be compared in quantity and in amount with the work that I described as done notoriously by the Customs?—I can give you an exact comparison. The largest extraneous duty, if I may call it so, done for another department by the Inland Revenue is the collection of agricultural statistics, and that is an exact comparison, I take it, with the duties performed for other departments by the Board of Customs.

21,090. Would you compare the duty done in this particular example of the agricultural statistics with the duty incessantly, going on at every port in the kingdom in collecting statistics in respect of non-dutiable articles?—Of course one is continuous, and the other is not. The one is done in about three months in the year, and the other is continuous.

21,091. Of course it would be difficult to assess the two services in that respect?—Very.

21,092. But the service done by the Customs is something enormous I take it?—Very great. I may go a little further. My argument in the matter is this. These services which are done by the officers in the lower grades mainly are done for another department, where all questions of control and administration and principle must inevitably be settled. It would not rest with me to decide any question of principle connected with the collection of agricultural statistics. I should immediately refer to the President of the Council—that was my argument—that though officers may be engaged in it, nobody high up, that is to say the Board, is engaged on that kind of work, beyond, of course, exercising a certain amount of control.

21,093. I understand that so far as it goes, if you do not take that important matter into account, to compare the cost of the Customs establishment by the gross revenue they collect, and then go to the Inland Revenue and make the same statement, conveys a fallacious notion?—Unless you confine it, which I hope I have always done, to the collection of revenue alone. I admit they do more duties for other departments than we do.

21,094. (*Mr. Lawson.*) In your answers to Mr. Fowler you seem to suggest that there would be no immediate consolidation of lower grade offices. Did you mean that to apply to the smaller ports upon which you have given us so much evidence?—My idea would be that in the smaller ports, as opportunities arose, you might amalgamate. My argument is that when you amalgamate, the economies at first would be small, and for two years you would probably not have any more entries of the Customs or Inland Revenue.

Sir A. West, K.C.B.

22 Nov. 1888.

21,095. That economy might speedily come to operate?—In about two or three years.

21,096. (*Lord Lingen.*) When you speak of one Board, as being sufficient for the management of both revenues, supposing this was proposed, that there should be a President and a Deputy-President, whatever you call him, of the Customs, and a President and a Deputy-President of the Inland Revenue, and that they should separate those parts of their business which are kept separate. We will assume for a moment that you consolidated the warehouses, and you consolidated the solicitor's offices, and consolidated the accountant's office possibly, and that then this President and Deputy-President, the two of them, should meet from time to time either at fixed periods or as often as was necessary, and made one common board for any joint purposes, do you think that there would be any advantage in that, in having a greater experience of those two superior officers in the Customs on the one hand and in the Inland Revenue on the other hand?—Perhaps it is out of my place to do it, but I should like to look at it from the point of view of the Chancellor of the Exchequer, and say it is absolutely impossible for the reason that he would have to consult two men sitting at the same board and being responsible for a joint establishment. We should quarrel with the best intentions before six weeks were over.

21,097. Might not each establishment so far as it was kept separate be absolutely under its own president and deputy-president. The Customs make a considerable point that the Chancellor of the Exchequer would consult with greater confidence a chairman of the Customs only, and a chairman of the Inland Revenue only, than that he would consult any chairman of both boards. Do you agree with that?—That is a question which I hope you will ask, I understood from the Chancellor of the Exchequer that there are certain points that I had better leave alone, and that he contemplated you would call before you ex-Chancellors of the Exchequer, and I would sooner that you put that to them. There are one or two points of very small importance I should like to mention. In one of the Customs' memoranda they suggest the Board of the Inland Revenue should be very much reduced. That I think we need not argue, but I do think there are very grave objections to a board of three. A Board of three means a board of two for six months in the year, supposing they all keep their health. A Board of two is an anomaly in my view, and still more so a board of one; of course with a board of two, if sickness should unhappily fall, as it very often has lately, upon one member of the Board, it really means a Board of one. I am not sure whether it is not illegal, but certainly it is most objectionable. That is one point. Then it has also been mentioned to me that the Commission would expect from me a scheme to show how this amalgamation could be effected in the lower ranks. I think I have answered that question; but I think I should like to say that I see no overwhelming difficulty in preparing a scheme if the Customs and the Inland Revenue put their heads together. Then one other argument I have heard used is that under one Board you are of course increasing the number of the service even after allowing for any reductions that might take place. I admit that that is an argument, but at the same time I should like to say that the Post Office has an establishment of 57,000, compared to what would be 10,000 or 12,000 under the united Boards. Then there is one other point which arises upon the question of the possibility of selling the Custom House. They have a very large staff there, but it is quite clear that a very large part of that staff is composed of people who collect and tabulate statistics for the Board of Trade. Now, there is no more necessity for their being at the Customs House than there is for their being anywhere else. The officers of the Customs House who collect statistics from ships, do not tabulate them at the ports, but they send them up *en masse* to the Customs House, where a very large staff, over 150 I believe, are employed in making up those statistics for the Board of Trade. The Secretary to the Board of Trade will tell you that those duties and all kindred duties would gladly be taken by them. So I hope you will inquire of the Board of Trade their views upon the question. With reference to any question of the examination of any witnesses from our department it struck me that it might be more useful to the Commission (I am afraid that I have not given you all the necessary information even if I have given you at all the kind of information you want) to have as a witness somebody not connected with Somerset House, so that it should not be thought that we have impregnated ourselves in Somerset House with the idea of amalgamation. I should like to ask you, if you felt inclined, to have one or two of the collectors of our biggest places; there is the collector at Glasgow, for instance, who has a good deal of knowledge of Customs duties as well as Inland Revenue duties.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

SIXTY-FIRST DAY.

7, Whitehall Place, Westminster, S.W., Friday, November 23rd, 1888.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.	Mr. R. W. HANBURY, M.P.
Rt. Hon. H. H. FOWLER, M.P.	Mr. H. L. W. LAWSON, M.P.
Mr. J. CLEGHORN.	Mr. MACLURE, M.P.
Mr. A. S. HARVEY.	Mr. H. WALPOLE, C.B., *Secretary.*

Mr. HERBERT HARLEY MURRAY, C.B., and Mr. RICHARD THOMAS PROWSE, called and examined.

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

23 Nov. 1888.

21,098. (*Chairman.*) Mr. Murray, you are, as we know, Deputy Chairman of the Board of Customs, and I think the gentleman with you is the Secretary?—Yes.

21,099. What is the revenue that is collected by the Customs in the past year; do I give it correctly at 19,729,653*l.*?—In our report for the year ending 31st March 1887 it is stated that the gross receipt of the Customs revenue, including charges and the revenue of the Isle of Man, amounted to 20,312,885*l.* Of that sum 1,965,064*l.* was collected by officers of the Inland Revenue. The Customs officers, on the other hand, collected duty on British spirits on behalf of the Excise to the amount of 3,488,763*l.*; the total amount of revenue therefore collected by the Customs officers was 21,836,574*l.* In our report for the year ending 31st March 1888 the gross receipt of the Customs revenue is stated to have amounted to 19,791,335*l.*; of this sum the officers of Inland Revenue collected 1,935,591*l.*; but the Customs officers collected for the Excise 3,662,696*l.* The total amount therefore collected by the Customs officers was 21,518,440*l.*

21,100. And the charges of collection, which include everything you collect on behalf of the Inland Revenue or any other department, are 959,384*l.*?—The actual

charge for the collection of the 21,836,584*l.* in 1886–87 was 946,673*l.*, and that for the collection of the 21,518,440*l.* in 1887–88 was 932,283*l.*

21,101. Can you tell me now upon that point what material change there has been in the heads of revenue collected since Mr. Horsfall's Committee upon this question of amalgamation?—I think the only main point of revenue which has been given up is that from sugar; since 1862 that has been the main item.

21,102. Speaking generally, can you tell us what material changes have, since that time, taken place in the work which the Department has to do in the way of collecting the revenue?—I can tell you what has taken place between that year and this.

21,103. Is it sufficiently stated in the memorandum with which we have been supplied?—No; we have not referred in that to any changes made between the years 1860 and 1881.

21,104. You have spoken merely of the changes that have taken place for the convenience of merchants, I think?—Yes, that is all.

21,105. And not of the other changes?—Not of the financial changes that have taken place.

21,106. The Commission would be glad to have a general notion how much the work has increased or the reverse since the year 1862?—I should say the actual work in connexion with the Revenue has slightly decreased, owing to the doing away with some of the *ad valorem* duties, but that the whole of the work done by the Department has, if anything, increased owing to the new functions imposed upon them.

21,107. What are those new functions?—The duty attending the importation of cattle, and the business as regards the British marks, cotton statistics, the registration of fishing boats, including those registered under the Sea Fishing Boats, Scotland, Act, 1886, the inspection and analysis of tea under the Food and Drugs Act, 1876, the supervision of the landing of explosives under an Act of the same year, and the publication of the Bill of Entry.

21,108. What work does the importation of cattle bring upon the Board?—That brings not upon the Board, but upon the Department, a good deal of work. Cattle may be imported either for movement into the country or for slaughter. They can only be imported at certain ports, and at these ports our officers most carefully watch over the importation. For instance, if they are imported to be removed into the country the vessel has to be under bond, and the officer who has to watch the importation must see that the vessel has not been too long on its voyage, and so as to have gone to any port out of its course. It must not have been to an infected country either on its way out or home; and, as a proof that the declaration made by the master on this point is correct, they, at their discretion, can examine the log to see that the time occupied by the ship has not been too long for the proper voyage. Then when the vessel arrives, the cattle shipped have to be accounted for. If any have been killed on board, or lost on board, they must account for the number which is different from what was shipped and what is going to be landed.

21,109. (*Mr. Lawson.*) When was that function imposed?—I think in 1867 or 1868. It was after the cattle disease first got a footing in this country.

21,110. (*Mr. Cleghorn.*) Does the officer take any cognizance of the health of the cattle?—No, the cattle remain in his charge till the local officer comes to inspect them. (*Mr. Prowse.*) That is the Privy Council veterinary officer.

21,111. (*Mr. Lawson.*) Has any part of that duty been increased since 1867?—(*Mr. Murray.*) It has increased with the increase in the quantity of cattle imported.

21,112. (*Chairman.*) The point, as I understand it, is that that is a new work imposed upon the Department since the passing of those Acts respecting the importation of foreign cattle?—Yes.

21,113. I observe that you state also in your last reply to the memorandum of the Inland Revenue that you have had new responsibilities such as those created by the British Marks Act, and the Registry of Fishing Boats and other Acts?—Yes, that in connexion with the British Marks is very heavy now, owing to the Merchandize Marks Act of last session.

21,114. The work connected with all those Acts practically is this, that all work that has to be done at the waterside in respect of ships coming to this country with goods or otherwise is put upon the Customs officer?—Just so. For instance, the Sea Fishing Boats, Scotland, Act, 1886, is giving a good deal of trouble.

21,115. (*Mr. Hanbury.*) Is that work that will be permanent?—Yes, that will be permanent.

21,116. And does the same remark apply to the Merchandize Marks Act?—I am afraid that is increasing every day.

21,117. (*Mr. Lawson.*) Have you made a definite increase of staff in consequence of these different Acts?—No.

21,118. There has been no increase then in your whole staff?—Not at all, but I may say that the work of the secretariat in consequence of the Merchandize Marks Act has been excessively heavy this last year. It has increased what we call our registered papers from about 20,000 to about 37,000 in the first 11 months of the year.

21,119. But, as a matter of fact, the other Acts I suppose do not affect the secretariat, but rather the lower grade officers?—Not when you have once got the business into shape. It always gives trouble in the secretariat at first. When you have got an Act into shape the officer is able to work it at the outports without much interference on the part of the Board.

21,120. Of course that is true of the Merchandize Marks Acts?—No, every paper has to come up.

21,121. Surely there are questions with regard to it which you are settling every day at first, but in regard to which when once a precedent is established, there will be very little trouble afterwards?—So we thought at first, but practically we do not find it the case. (*Mr. Prowse.*) The marks are of infinite variety.

21,122. (*Chairman.*) Since the year 1862, when as we know Mr. Horsfall's Committee dealt with this question of amalgamation with which we are now concerned, has the work of the Customs, either in the amount or in the nature and variety of the duties decreased or increased?—I should say it has increased in the variety of its duties, and also in consequence of the enormous increase in the quantity of free goods which are imported.

21,123. Ships with free goods have to be dealt with as well as ships with dutiable goods to see whether the goods are dutiable or free?—Quite so; they have to be examined and the ships looked after.

21,124. The work, of course, has been very much simplified since 1862?—It is simplified so far as the cessation of the *ad valorem* duties.

21,125. With reference to your staff, can you give us the number of established officers that are taken upon the estimates this year, and how their duties are divided?—There are 4,452 taken in the estimates for 1888–9.

21,126. What are the main heads of service?—They are approximately divided in this way: Superintending staff, collectors and clerical work, 200: Receipts of Revenue 73, waterguard 1,400, landing and shipping goods 1,250, warehouses 1,200, registry of shipping, mercantile marine, and naval reserve, wreck work and light dues 260. That gives a total of 4,339, which is 113 less than the estimated number.

21,127. You are giving now the whole of the established staff wherever it exists?—Yes. Since the estimates were prepared in November 1887 there have been several offices abolished, and I think the difference may be partly accounted for in that way and by offices being vacant.

21,128. Could you give us the local distribution, that is the general distribution?—In London the superintendence includes 158, the Port of London 1,512 officers, Liverpool 598, and the outports 2,189.

21,129. Those being the general numbers of the staff at London, Liverpool, and the outports, may we take it that the distribution in each of those places pretty well answers the proportion that you have given us on the general list?—Yes.

21,130. Now take the superintending staff, beginning from the top downwards. The Board, I think, consists of three?—Yes, the Chairman, Deputy Chairman, and one Commissioner.

21,131. That, I think, is a reduction from what it used to be?—It consisted of four two or three years ago.

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

28 Nov. 1888.

21,132. (*Mr. Hanbury.*) It used to be five, did it not?—It was five in 1867, I think.

21,133. (*Chairman.*) Could you state to us shortly what is the mode of transacting business at the Customs, when the Board meets, and so forth?—The Board meets every day. As far as we can we are diminishing the business at the Board, and throwing it as much as we can on the committees, as we think much of the time in which two or three men are employed superintending the same work at the Board is rather wasted time. We are reducing the work of the Board as much as possible. The work which comes to the Board now is chiefly this: any papers which are brought by the Secretary affecting the Department and which, being reserved for consideration, are not dealt with by a member of the Board in committee.

21,134. Perhaps you would now explain what the committees are?—Committees consist of the committee clerk, who is one of the superior clerks in the office, and a single member of the Board.

21,135. (*Mr. Lawson.*) May I ask why, in this memorandum forwarded to us in the first place from the Commissioners, there are only two Commissioners in the Customs staff?—In that memorandum the numbers of officers in each grade is not given, and therefore the number of Commissioners is not stated.

21,136. (*Chairman.*) It is the custom of the Board to meet and do a good deal of the business that comes up to it generally, but now a good deal has been devolved upon committees, which you say consists of one member of the Board—presumably either the Chairman, Deputy Chairman, or one Commissioner—acting with one of the principal clerks in the office, or with the secretary?—Just so.

21,137. Is the Secretary a member of all committees?—No.

21,138. You have three committee clerks, I observe?—Yes.

21,139. Is the work of the Customs divided into any branches?—It is. It is divided approximately in this way: There is the business which the secretary takes, there is the business which the assistant-secretary takes, and there is the business which each of the three committee clerks take.

21,140. Is that division merely an arbitrary division, or does it answer to any real division in the nature of the work?—There is a regular division according to the nature of the work.

21,141. Is it simply divided as a matter of convenience of practice and not from any real difference in the nature of the work?—It can be altered from day to day no doubt if it is thought desirable.

21,142. It is merely a distribution of work, but it is generally of the same character, is it not?—No, not of the same character quite; it varies in character in each of the divisions.

21,143. (*Lord Lingen.*) Would they know in the Registry Room whom to minute it to—to the secretary, assistant-secretary, or committee clerks?—Certainly.

21,144. They would?—Yes.

21,145. (*Mr. Harvey.*) Would they minute the business to the divisions at once?—Quite so.

21,146. And then would it pass to the committee clerk and up to the secretary, and then travel on to the Board if necessary?—No, it does not go to the secretary unless it refers to the work which he specially takes.

21,147. Then it would go from the committee to the Board if necessary, and from the committee clerk at the head of the division to the Board if necessary?—It comes from the committee clerk to the Commissioner in committee, and then if the Commissioner reserves anything in committee it goes to the Board.

21,148. (*Chairman.*) That being the Board, and the way in which the work is at present done, do you or do you not attach importance to there being a board at all. What would be your view, for instance, if the suggestion were made that there should be a Comptroller of Customs and a Deputy-Comptroller as a matter of theory more than anything else?—I am not in favour of boards for the transaction of public business, if they meet every day.

21,149. (*Mr. Cleghorn.*) Not if they meet every day?—No. I think a board is useful providing it is kept in reserve for consultation.

21,150. (*Chairman.*) You mean if the work is done by individual responsible heads who meet occasionally more for consultative purposes than otherwise?—That is my opinion of the use of a board. I should think each Commissioner should as far as possible transact the business by himself, and when he is in doubt he should reserve it for consultation or for the meeting of the Board.

21,151. Is that the direction which, what I may call your reforms in the procedure of the Board are taking, namely, to do the work more in committees and less at the Board?—Yes; the work is drifting as much as can be in the direction you speak of.

21,152. I presume matters are very much in the hands of the Chairman, are they not, in the nature of things; it is so at every board?—Yes, they must be.

21,153. Does the principal work go to the Chairman when he is able to take it?—He is present at each meeting of the Board. He does not take committees unless the Commissioners are away.

21,154. (*Mr. Hanbury.*) The Commissioners are all more or less equal, I suppose?—Yes, all equal.

21,155. Supposing anything very wrong in the Department went on, for instance, in the case of an office where there was one definite permanent head, then you would be able to trace responsibility up to one man, but how would you do in the case of three or four Commissioners?—You must trace it to the Board.

21,156. And it would be divided between all the four?—Quite so.

21,157. (*Mr. Lawson.*) Have you a necessary quorum?—No.

21,158. As a matter of fact do you meet occasionally in less numbers than four?—I am sorry to say that during the last year I have very often been the Board by myself.

21,159. (*Chairman.*) Is that owing a good deal to the illness of Sir Charles Du Cane?—It is owing to the illness of the Chairman.

21,160. (*Mr. Lawson.*) I do not quite follow it; that would make one member less, but you are four in all?—There are only three now; there were four at the time you spoke of just now when that memorandum was prepared.

21,161. One being ill and one on leave, I suppose?—When one is on leave or inspecting the ports, there is only one left at the Board.

21,162. (*Lord Lingen.*) Does your Commission specify a quorum?—No.

21,163. (*Chairman.*) Looking at it from the idea that you had a free hand, do you see from your knowledge of the Customs and the work that is done at the top, any advantage in a Board with joint responsibilities, such as you have described, or would you think it equally good to have one responsible Comptroller and Deputy Comptroller?—I think that it would work well if the direction of the Department was constituted in something like the mode you suggest.

21,164. Do you think there is an advantage in the present system?—I think that the plan you propose would be better than the present system.

21,165. You think it would be better?—Yes, because I think there is at present much time lost at meetings of the Board.

21,166. (*Mr. Lawson.*) Then when you meet as a Board by yourself of course you come up to that ideal?—No.

21,167. Why? What is the difference?—That is hardly a reasonable way of putting it. I am obliged occasionally to sit at the Board by myself, because there is nobody else to help. The whole of the work devolves upon me.

21,168. (*Mr. Harvey.*) Is all the business done in committee reported to the member of the Board sitting at the Board. Does the present system involve elaborate minutes of what took place in committee?—No; that is all done away with. There are no formal records kept now of Board minutes.

21,169. Then, in fact, practically there is no Board in the sense that we generally understand it?—Not now. We consider that the minute on the papers is the record of the division of the Board.

21,170. (*Mr. Lawson.*) I understand that you do not attach any importance to the idea that the joint re-

sponsibility of the Board is a safeguard for the revenue?—I do not myself.

21,171. (*Mr. Hanbury.*) In fact you think it would be better to have one permanent head?—I think so.

21,172. (*Chairman.*) With reference to the secretary's office, I do not know that I need ask you many questions upon that, but is there anything special about the secretariat that you would like to say?—You are speaking now of its organisation?

21,173. No, I do not want to go now into the question of clerks?—The only thing special about it at present is that it is in a very disorganised condition owing to its having too much to do.

21,174. You would not welcome, therefore, a proposal that you should take over the Inland Revenue work also?—Certainly not.

21,175. Do you think that one secretariat would be able to do as far as the secretariat were concerned, and supposing the staff were large enough to do it, the work of an amalgamated board?—I could not say anything about the Inland Revenue work. All I can say is that our present secretariat in the Customs is as busily employed as it can be.

21,176. (*Mr. Lawson.*) That is in consequence of the Merchandise Marks Act and the cases arising from it?—Not only that, but all the other branches of the business.

21,177. But the special increase of work of which you speak is due to this Act of last year?—It is due to that Act of last year.

21,178. What is the peculiarity about the cases arising under it which necessitates this constant reference to the secretariat?—There is constantly a nice question as to whether the papers come under the law or not, whether the goods may be stopped or not.

21,179. And this overwork is to be perpetual, you say?—I do not see any chance of its diminishing now.

21,180. (*Mr. Harvey.*) Do those papers involve a reference to the solicitor as well?—A great number of them do. I think within the first five months of this year the solicitor told me that he had written between four and five hundred reports on questions under this Bill, and many of them very difficult ones too.

21,181. On the Merchandise Marks Act?—On the Merchandise Marks Act references are made to him daily.

21,182. (*Mr. Hanbury.*) Has the Wines Act given you much trouble?—It has given a good deal of trouble.

21,183. (*Chairman.*) That brings me to the question of the Solicitor's Department; of course all questions involving legal decision are sent to the solicitor?—They go to the solicitor.

21,184. How far has there been any inconvenice felt, or do you think there is any inconvenience in having a solicitor's department also at the Inland Revenue. The annual Customs and Inland Revenue Bill has to be settled by both solicitors, has it not?—Yes; it has. The Customs Clauses are drafted by our solicitor, but sent by him to the Inland Revenue for insertion in the Bill, because they usually have a larger number of clauses in the Bill than the Customs have.

21,185. From the Customs' point of view has that given rise to any inconveniences and difficulties?—None whatever.

21,186. (*Mr. Harvey.*) Does the Bill in draft come to you from the Inland Revenue?—No; we send our draft clauses to the Treasury, and they approve of them. Then after they have been approved by the Treasury they are sent by our solicitor to the Inland Revenue, who embody them in the Bill.

21,187. (*Mr. Cleghorn.*) Then he accepts those clauses as a matter of course?—Yes.

21,188. The Inland Revenue solicitor does not exercise any jurisdiction over them?—No.

21,189. (*Chairman.*) I observe the total charge in your solicitor's office in the current estimate was 4,815*l.*, including the assistant solicitor, chief clerks, and so on. I am talking of the head office, and not including the item below?—That is the amount.

21,190. The Accountant and Comptroller-General is your principal financial officer, is not he?—Yes; he is the accounting officer for the vote.

21,191. You have no Receiver-General, I believe?—No.

21,192. (*Mr. Lawson.*) When was that officer abolished?—About the year 1872.

21,193. (*Lord Lingen.*) I should like to ask one question about that. When money is sent up from the ports by your collectors, to whom does it go at the Customs, into whose hands?—It goes into the account at the Bank of England.

21,194. Is it addressed directly to the Bank of England?—No; all the money which is paid to the branches of the Bank of England goes in direct to the Bank of England; but as to that which is remitted from banks other than the Bank of England, the bills are sent, I believe, to the Accountant-General, and they are cashed after so many days' sight.

21,195. Does the collector, for instance, at Liverpool, and the collector at Glasgow send part of his receipts direct to the Bank of England, and part direct to the Custom House?—The whole from Liverpool will be paid into a Branch Bank of England there, and find its way direct into the account at the Bank of England in London. That at Glasgow is paid into one of the Scotch banks, and I think there is seven days' grace allowed there.

21,196. (*Mr. Harvey.*) In other places the collectors remit by bank drafts?—Yes; where there is no Branch Bank of England.

21,197. Then we may take it that where there is a Branch Bank of England, the collector pays directly into the bank, and in other places where there is no branch he has an account at some bank, and he draws drafts which are negotiated in the ordinary way?—Yes.

21,198. (*Mr. Cleghorn.*) Then does no money come to the Customs from your collectors?—No, actual cash.

21,199. Not bills or cash?—The bills will go direct to the Accountant-General.

21,200. (*Chairman.*) All bills?—Yes.

21,201. (*Lord Lingen.*) Then the Liverpool collector does not negotiate his bills from the Branch Bank of England?—No. The Customs receipts are paid into the Branch Bank of England, and the Branch Bank of England there transfers them direct to the Bank of England in London.

21,202. Do they go to your Accountant-General at the head office?—No, the bank itself remits. The collector merely informs our Accountant-General how much has been paid into the bank, and then the bank itself remits the money to the Bank of England.

21,203. (*Mr. Cleghorn.*) Does the collector pay in at Liverpool daily?—Yes.

21,204. Then he pays the money across the counter at the Branch Bank of England at Liverpool?—Yes.

21,205. They pass it on to the bank in London?—Yes.

21,206. The collector at the same time sends an advice to the Custom House in London that he has paid in such an amount?—Yes; then it is in our pass-book the next day.

21,207. (*Lord Lingen.*) I am not clear about this yet. Does that system apply to your whole collection without exception all over the kingdom?—The description I have given applies in all cases where it is paid into the Bank of England.

21,208. Now tell me exactly the difference where there is not a Branch Bank of England?—Those banks keep the money for so many days according to the agreement with the bank, and then they send the bill up to the Accountant-General, and he at the end of so many days realises the money.

21,209. Then those latter county banks send their draft, or whatever the instrument may be, to your accountant?—Quite so.

21,210. It has been given, I think, in evidence as to the Inland Revenue that there is some sort of scruple about the accountant receiving money, or what is as good as money; have you ever found any practical difficulty to arise in your Accountant's Department from the fact that he receives a certain proportion of drafts from these country bankers?—None that I have heard of.

21,211. (*Mr. Hanbury.*) Do you know whether that is contrary to the principle adopted in other departments where the handling of money is kept distinct, and very distinct, from the duties of the Accountant-General?—I do not know that it is.

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

23 Nov. 1888.

21,212. (*Mr. Cleghorn.*) Do you think the check upon the remittances is sufficient?—Yes.

21,213. (*Chairman.*) In the case of the Customs, are you quite satisfied with the mode in which the present business is arranged, namely, that the Accountant-General should not only be an accounting officer, but that he should also receive bills in the way we have been told he does receive them?—I have heard of no objection to it.

21,214. (*Mr. Harvey.*) When a collector at a port where there is no Branch Bank of England has got his bill from the local bank, which, of course, is a bill on the London agent of that bank, he sends that bill up to the Accountant-General, and the Accountant-General then endorses it and hands it to the Bank of England for collection?—After a certain number of days.

21,215. What advice does the collector send?—He informs the Accountant-General each day; that officer has the information sent him of the amount of duty he is to receive, and also the amount paid into the bank.

21,216. Then after a time the advice, I imagine, takes the form that so much money being in the bank he remits so many bills on the bank?—Yes, he remits at sight.

21,217. (*Mr. Cleghorn.*) To whom are those drafts or bills made payable?—The Accountant-General.

21,218. Of course he endorses them, and hands them over to the Bank of England?—Yes, for collection.

21,219. (*Chairman.*) Now, we come to the Surveyors-General; you have three, have you not?—At present we have two Surveyors-General and an acting Surveyor-General; then Mr. Prowse, who is the senior Surveyor-General is at present acting as secretary.

21,220. (*Mr. Lawson.*) I should like that explained, because there are three down in the estimates?—That is the establishment number.

21,221. Does the acting Surveyor-General receive the same salary as the other?—No; he is not in the estimates. It is an arrangement which has been made with the Treasury since those estimates were drawn.

21,222. The amount appearing for 1888-89 is only 40*l.* short of that for 1887-88; how is that?—(*Mr. Prowse.*) That would be by the operation of increments. (*Mr. Murray.*) There should be three Surveyors-General, but then the Treasury object to the third being filled up, and they also object to the secretaryship being filled up pending the Report of this Commission.

21,223. I perfectly understand that, but there are three down in the estimates for 1888-89?—We could not tell when we should be able to fill up the third. We ought to have three, but we have only really two and a half at present.

21,224. I thought when the office was vacant the amount was not estimated for at all?—It is not an office which has been abolished, it is merely in abeyance.

(*Mr. Prowse.*) The Treasury made a provisional arrangement. I in my own person am filling the place of Surveyor-General and Secretary.

21,225. (*Chairman.*) What is the work of the Surveyor-General?—In the printed paper which was put in at the beginning of the Commission the way their duties are recited is this:—

"The Surveyors-General of Customs have to report to the Board on the port establishments of the United Kingdom, as arranged for the proper protection and collection of the Customs revenue. This duty comprises such matters as the arrangement and allotment of the business, and the proper discipline of the officers employed in it. The inspection of all docks, quays, and other places at which the loading and discharging of cargo are carried on, and of the Customs bonded warehouses.

"For these purposes it is the duty of the Surveyors-General, as regards London, to visit the various stations as occasion may require, and to keep themselves generally informed of the state of business and of the requirements for meeting it at each station. As regards the outports, they undertake the like duty by means of periodical inspections under the directions of the Board, and by special visits when necessary.

"It is also the duty of the Surveyors-General to submit to the Board, from time to time as occasion arises, whatever new orders or regulations they may deem necessary for meeting the exigencies of the service or for the facilitating public business."

21,226. Then it is a part of their duty also, I think, you said to visit the Customs bonded warehouses?—Undoubtedly. Chiefly the ports which comprise the bonded warehouses, inspection of outports, and particularly on special questions, as, for instance, when there is a question of establishment or of local arrangements for business and matters of that sort requiring a local visitation.

21,227. (*Mr. Harvey.*) Do they inquire into complaints if they have been made from the trade?—Certainly.

21,228. (*Chairman.*) They are the principal mediums then of communication between all those who do business with the Customs at the various ports and the Board?—Yes; upon reference from the Board. Ordinarily papers on those subjects would go through the committee clerks to the Board or to the committees as before explained, and if there are points of difficulty or points of practice to be explained or new points of departure to be arranged, the Surveyors-General intervene.

21,229. If, on the other hand, the Surveyors-General, in the course of their visits saw reason to make a change in practice, to recommend for instance the abolition of a warehouse, or the making of fresh regulations of any sort or kind, either in the warehouse or outside, they would make those recommendations to the Board?—Yes, particularly as to readjustments of staff.

21,230. In the departments?—Of course within the compass of the estimates they would also exercise the powers of changing officers within ports, to arrange duties, or anything of that kind.

21,231. They would exercise a certain amount of shifting officers without going to the Board?—Yes, quite so; that is to say, officers within the respective grades. They could not, for example, order an examining officer to be a surveyor without the Board's intervention.

21,232. I think the Statistical Department is the only other department not yet mentioned of the Superintending Establishment; that is a very large department, is it not?—(*Mr. Murray.*) That is a very large one.

21,233. Is that all situated in the Custom House in London?—Yes.

21,234. All the statistics are sent up, are they not, from the various ports?—Yes.

21,235. And sifted and searched in London?—They are registered there.

21,236. Is there any sifting and arrangement of the statistics which you collect for the Board of Trade at the ports, or are they sent up as collected?—A copy of every entry is sent up, and a copy of every specification, the specification being for outward goods.

21,237. Then the officers at the ports are simply collecting and not at all arranging officers as regards statistics?—No.

21,238. All the materials, so to speak, are sent up to the head office and dealt with there for the Board of Trade?—Yes. At Liverpool there is a little exception still, but that is the only port.

21,239. (*Mr. Lawson.*) What exception?—The specifications are tabulated more at Liverpool than they are at any other port.

21,240. Have they then a staff of clerks there to do the same work as the men in your Statistical Department?—I think there are one or two men employed upon it.

21,241. Why was that exception made?—It was found, I think, to be working well.

21,242. Does not it lead to some confusion that Liverpool should be singled out and treated exceptionally in that matter?—No; it is almost the largest export station we have got.

21,243. When the statistics are sifted there are they forwarded to the Board of Trade or to the Custom House?—They all come to the statistical office in London. (*Mr. Prowse.*) They have all to go into the main accounts.

21,244. Is the work done twice?—No.

21,245. (*Chairman.*) I understand there is some little preliminary sorting done at Liverpool?—At Liverpool only. (*Mr. Prowse.*) And that in relation to exports.

21,246. Is the Statistical Department concerned entirely with statistics that are commonly called Board

of Trade statistics?—(*Mr. Murray.*) With the statistics relating to the import and export trade of the country.

21,247. Are the whole of the statistics of the import and export trade of the country which are published in the Board of Trade Returns done in the Statistical Department?—Entirely, and printed by that Department.

21,248. Are they subsequently revised or corrected or dealt with in any form by the Board of Trade?—In no way whatever. The Board of Trade only put their name outside the Blue Book; that is all.

21,249. The Customs is entirely responsible for the accuracy of these statistics, which are in no way examined into by the Board of Trade?—In no way whatever.

21,250. (*Mr. Lawson.*) I should like to be quite clear about it. Does Mr. Giffen's Department have nothing to do but to take them as they are sent to them by you?—They are printed by us and published by us. The Board of Trade, as I say, put their name outside the Blue Book. That is all they have got to do with it.

21,251. Mr. Giffen does not look over them?—No, he never sees them till they are printed. (*Mr. Prowse.*) There is a note printed on the monthly account of trade which explains the situation as between the Board of Trade and Customs. It is to the effect that the arrangement of the form of the accounts rests with the Board of Trade, but that the compilation and publication rests with the Customs. I forget the exact words, but they are to that effect, and that explains the situation exactly.

21,252. (*Mr. Harvey.*) If Mr. Giffen thought that, for instance, the export and import figures needed amendment would he communicate with the Board on this point or with the Treasury?—(*Mr. Murray.*) He would write to us if there was any complaint made about the accuracy of the statistics.

21,253. He would not attempt to alter any of the figures you sent him?—No.

21,254. (*Mr. Lawson.*) He would have none of the data of course?—Of course he would not.

21,255. Could he have the data if he applied?—We would give him any information he wanted.

21,256. (*Lord Lingen.*) So long as he did not alter the returns that you made of course he might compose any number of tables of his own that he chose?—From our statistics?

21,257. Combining or recombining?—Quite so.

21,258. When you say a separate book do you mean they would go from your Board to him already printed in the shape that they will be laid before Parliament?—Quite so.

21,259. So that you carry them through the press and you send him that book to do what he likes with?—That is all.

21,260. (*Mr. Lawson.*) And he has no power to touch them?—No, the only (I will not call it interference) the only thing the Board of Trade have to do with any alteration they wish to make in the statistics is this, that it was settled some four or five years ago by the Treasury that once a year an officer of the Board of Trade should consult with the head of the Statistical Department as to what alterations should be made each year in the annual import or export list. (*Mr. Prowse.*) And in the forms of the account.

21,261. (*Mr. Harvey.*) Have you ever had a case of this sort; a great increase of imports, or a great increase of exports. The Board of Trade officers and Mr. Giffen for instance might think there is something wrong in the figures, and that the course of business does not seem to justify such an alteration in the figures, and then Mr. Giffen might like to have the figures inquired into again? (*Mr. Murray.*) Oh, yes; I do not say frequently, but we sometimes have applications of that kind from the Board of Trade, not so much originating with the Board of Trade as originating perhaps from some chamber of commerce. We had one the other day from the Bradford Chamber of Commerce as regards woollens, I think, and the Board of Trade asked us to inquire whether our statistics were correct. All we could do was to tell them they were correct according to the returns which the merchants' clerk had given us. Whether the merchants' clerks had given us accurate and correct information, of course we could not tell.

21,262. It is hardly relevant to the subject of our Commission, but I should like to ask you here whether the imports figures are based entirely upon the returns from the merchants?—They are based entirely upon the entries.

21,263. Do they represent freight charges?—No. The entries for imports are pretty correct, because they are checked by our officers, but for the exports we have to rely mainly upon the merchants' clerks.

21,264. (*Chairman.*) Has any proposition been made within your knowledge to take the Statistical Department away from the Customs?—There was a Committee on that a few years ago. There were three gentlemen on it, and two of the Committee thought that the statistics should be handed over to the Board of Trade, but the third disagreed with the other two, and the Treasury decided to leave things as they were.

21,265. (*Mr. Lawson.*) Is the composition of that Committee confidential, or could you tell us who they were?—It was at first composed of Mr. Holmes, M.P., Mr. Giffen, and myself, and later on Mr. Herbert Gladstone joined it.

21,266. Were you the minority?—I was the minority.

21,267. (*Chairman.*) I need hardly ask you, therefore, whether you are of opinion that there is no advantage in making a change?—That is my opinion.

21,268. Could you state to us what advantages, in the eyes of those who took the opposite view, would be attained by giving this work to the Board of Trade?—I would rather leave those who held that view to state their own opinions.

21,269. I understand that the collection of the statistics at the port is done by officers of yours who would be in any case employed there?—That must be so; that is one reason why I never could see any advantage in the change. As it is our officers do the work, as far as the entries for imports go, as part of their necessary daily work; and with regard to the exports they must do it, too, as far as any dutiable goods are concerned, or goods in transhipment or under bond.

21,270. Therefore for the ordinary export goods which do not come into the category of dutiable goods, they would not otherwise have any duty to perform?—We should not care about them *qua* the Customs.

21,271. But with reference to dutiable goods, whether imports, or exports and with reference to all articles of import of whatever character, your Customs men must be there and must be doing duties with regard to those articles whether they have the responsibility for the statistics or not?—That is so.

21,272. You therefore contend that as the men have got the work there to do they had better be employed as they are now in forwarding those statistics to London?—Yes, and working under their own officers.

21,273. (*Mr. Harvey.*) Do you think that working under their own officers involves a greater guarantee for accuracy?—I do; I think officers look out sharper when they are working under an officer who can report them to head-quarters for want of accuracy, or want of discipline, or anything of the kind; I think they work better when they are working under the department on which their promotion ultimately depends.

21,274. (*Chairman.*) Has the proposal been made, or would there be any objection if such a proposal was made, that these returns should be collected by your officers while they are discharging their other official duties and sent direct to the Board of Trade?—It could be done, but I think we should object to that course.

21,275. Do you mean that you would not like to get rid of an important department of your own, because that we can readily understand?—Not upon that ground, but we should not like our officers to be employed very largely upon work done for another department and to be constantly liable to be pulled up by them.

21,276. (*Lord Lingen.*) For the purposes of your own report and your own business, you as well as the Board of Trade make use of these statistics, do you not at the Customs?—We do not make much use for our own purposes.

21,277. But if the Chancellor of the Exchequer sends for the Chairman and yourself to consult you upon questions of export and import duties, would not, the basis of your argument be derived from these statistics?—We require them for that purpose, no doubt.

21,278. You do make use of them, do you?—Yes, for that purpose.

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

23 Nov. 1888.

21,279. (*Mr. Lawson.*) Do you make any further use than might be made by any other person who had the Blue Book in his hands?—*Quâ* advising the Chancellor of the Exchequer as to the stock of any dutiable article in the warehouses from which an estimate might be formed as to the quantity of goods that might be imported afterwards we do make a good deal of use of them, but with reference to the great bulk of the contents of that Blue Book we do not.

21,280. (*Chairman.*) Your principal argument in favour of retaining the Statistical Department at head-quarters as well as of keeping the men so employed at the ports is that you at head-quarters think it best that you yourself should deal with your own officers, and that your officers should not be dealt with by the Board of Trade, and that at the ports you think that as you have got to employ these men they might as well continue to return these statistics?—Yes, as a matter of discipline. We think they had better work under us.

21,281. (*Mr. Lawson.*) As a matter of fact, do they do work for any other Department?—Not on the same scale as that would be.

21,282. But they do some work?—Yes.

21,283. Directly under any other department?—They do the shipping statistics directly under the Board of Trade.

21,284. Do they send them direct to the Board of Trade?—To the Board of Trade direct.

21,285. Without passing through your hands?—Without passing through our hands at all.

21,286. Is there any friction or difficulty about it?—No.

21,287. (*Mr. Hanbury.*) Are the salaries all charged to your Department?—Yes, they are.

21,288. (*Mr. Harvey.*) Having regard to the enormous importance of these statistics to the State, how often in the course of a year do you question their accuracy?—Do you mean how often are they questioned from the Statistical Office?

21,289. How often do you have occasion to say, "Well, "that is a very remarkable figure; the merchants are "commenting upon it, the world generally is surprised "with this figure. I wonder whether it is true; send "down to Liverpool and find out whether there is not "a mistake somewhere." How often is there a check such as that exercised by the Board?—There is no check, I should say, exercised by the Board on that because those are all carefully checked in the Statistical Office itself.

21,290. (*Lord Iingen.*) The head of the Statistical Department is one of your principal officers, is he not?—Quite so; and these returns, these entries, and these specifications as regards quantities and values are checked daily before they are registered, and if they do not sufficiently agree the paper is referred back to the port for explanation. I suppose there are 20,000 queries sent in the year upon these points.

21,291. (*Mr. Harvey.*) That is the point I wanted to ask; what is the check upon their accuracy?—I went over them some years ago and I found that up to July there were about 13,000.

21,292. (*Mr. Lawson.*) When are these statistics made up?—(*Mr. Prowse.*) Currently. (*Mr. Murray.*) They are posted daily. (*Mr. Prowse.*) They are entered into a monthly account.

21,293. (*Chairman.*) And I believe they are published every month?—Yes, and as I have said they are kept up currently so that at the end of the month the totals can be made out.

21,294. The Bill of Entry is simply a branch of the Statistical Department, is not it?—(*Mr. Murray.*) That is all; that is: two papers Bill A and Bill B are published daily at the leading ports giving as far as they can the exports and the imports into those ports.

21,295. The Bill of Entry pays itself, I suppose, now?—Yes, it more than pays itself.

21,296. Where is that shown in the Estimates?—That is under the Statistical Office; you will see it entered as a sub-branch.

21,297. Where are the receipts shown?—That is not stated, except at the end of the Estimates, in the "Extra Receipts." You will see at page 26, "Manu-"script or lithographed information supplied to mer-"chants and others in connexion with the Bill of "Entry, 6,550*l*."

21,298. (*Mr. Lawson.*) It is not an increasing amount, is it?—No, it is not.

21,299. (*Chairman.*) It is only recently, I think, that receipts have been taken for that?—It was a private concern till about six years ago.

21,300. I think now we have gone through the whole of the superintending departments, and in order to get at the nature of the work you had better take as shortly as possible the Port of London first. Will you begin by stating what are the collector's duties?—The collector of the Port of London is not a collector in the same sense that he would be at the outports. He is responsible chiefly in London for the actual receipt of the London revenue, which is nearly 11 millions a year, but the administration of the port is carried on in this way, the port is divided for administration purposes into five districts, and the supervision of the officers in those districts is carried out by the inspectors who are over them.

21,301. (*Mr. Lawson.*) Are they the five gentlemen who are put down in the estimates for the out-door department?—(*Mr. Prowse.*) Yes.

21,302. Are there five?—There are five and an assistant, making six altogether.

21,303. (*Chairman.*) In fact the collector is a superior officer in consequence of the size of the Port of London. I presume that is not the case at any other port, and that he is of a higher rank, so to speak, than the other collectors?—(*Mr. Murray.*) Not of higher rank; he has different work; he has the supervision only of what I may call the indoor work of the port. The outdoor work of the port is under the inspectors. (*Mr. Prowse.*) He is collector only for the Port of London and chief registrar of shipping.

21,304. Take the collector at Liverpool. He has no inspectors under him as I understand although he attends to both indoor and outdoor work?—(*Mr. Murray.*) He has two.

21,305. Has he an assistant inspector?—He has one inspector and an assistant inspector under him.

21,306. (*Lord Lingen.*) Are the inspectors all local officers or do they go about?—They are local officers for the port. (*Mr. Prowse.*) They take districts withi the port.

21,307. Then the only travelling officers are the surveyors?—(*Mr. Murray.*) The surveyors.

21,308. (*Mr. Lawson.*) You mean not the surveyors, but the surveyors-general?—The surveyors-general are the only travelling officers.

21,309. (*Mr. Harvey.*) What is the difference between the duties of the surveyors at Liverpool and the duties of the inspector?—The Port of Liverpool again is broken up into stations, and those stations are under the surveyors. (*Mr. Prowse.*) The inspector of Liverpool does what a collector at an ordinary middle-sized port would do, he overlooks the outdoor department, Liverpool is too large for the collector to undertake all that, so he has assistance in the shape of an inspector and an assistant inspector.

21,310. (*Chairman.*) I see that the gentleman whom you call the collector at the Port of London gets 1,000*l*. a year, and that the officer who is called collector at Liverpool gets 1,200*l*.?—(*Mr. Murray.*) The collector at Liverpool is a much more responsible officer, very much more. (*Mr. Prowse.*) He is the local head of a very large port. In London the duties of collector are divided so to say between the collector and the direction, that is, the board. Many port questions in London came directly to the board and not through the collector. Also the collector of the Port of London has no jurisdiction whatever over the inspectors, that is over the outdoor department, nor does he pay any salaries. Those are all paid in London through the Accountant-General. At Liverpool the collector of course has to pay locally his own salaries. In many ways the presence of the board and the direction, the Accountant-General and the secretariat helps the work of the Port of London, therefore the collector of the Port of London is a less responsible officer than the collector of the Port of Liverpool.

21,311. (*Mr. Cleghorn.*) What would be the amount of the duties collected at Liverpool and London?—(*Mr. Murray.*) In Liverpool it is about three and a half millions, in London it is about 10,700,000*l*. I think.

21,312. And yet you say that the collector who receives 10,700,000*l*. is a less responsible officer than the collector at Liverpool who takes only three and a

half millions?—Far less. (*Mr. Prowse.*) Less responsible except as to money, but then he has no discipline questions to deal with. (*Mr. Murray.*) There are many other duties beside.

21,313. (*Chairman.*) Are we to understand that the collector in London does not collect at all, and that he is not a collector in one sense?—His clerks receive the money.

21,314. Do the inspectors collect?—(*Mr. Prowse.*) The inspectors are only disciplinary officers.

21,315. I am afraid I am not perfectly clear who is responsible for the receipt of the money in London?—(*Mr. Murray.*) The collector he has 10 clerks under him directly employed in the receipt of the revenue.

21,316. Then it is with reference to discipline and the payment of salaries to the staff principally, and also with reference to settling all questions, which in London are settled by the board direct, but which in Liverpool must be settled on the spot by the head collector; it is in those respects that that collector is a much more responsible person?—Yes, and the collector at Liverpool is also in direct correspondence with the merchants, and in personal communication with them.

21,317. (*Mr. Lawson.*) May I ask whether the collector in Liverpool decides on questions of organisation and scales of pay, because I see you have not the same scale of salaries in Liverpool as in London?—There is not much variation in the salaries of the establishment of Liverpool as compared with the others.

21,318. I see, for instance, clerks of the first and second class there is a difference in title?—(*Mr. Prowse.*) I think their scale of salary is the same at all the outports.

21,319. The collector at Liverpool has no power, as I understand you, to decide questions of organisation and classification?—(*Mr. Murray.*) No, none at all.

21,320. (*Mr. Cleghorn.*) Does this 10,700,000*l.* include remittances from the outports where there is no branch Bank of England?—No; the whole of that is paid in in the Long Room as revenue. (*Mr. Prowse.*) That is the collection of the Port of London *per se*.

21,321. And the amount that is transmitted from the country to the collector as you have explained is in addition to that?—(*Mr. Murray.*) The money which the collector at Liverpool remits is about three and a half millions. (*Mr. Prowse.*) But that does not come to the London collector.

21,322. What the collector at Liverpool pays into the branch Bank of England does not come to the collector in London at all?—(*Mr. Murray.*) No.

21,323. Take the collector of Glasgow, or of any other place where there is no branch Bank of England, I suppose he sends it by a draft to the bankers direct?—Yes.

21,324. Does that pass through the collector?—Not at all; he has nothing whatever to do with any revenue except what is paid in the Long Room in London.

21,325. (*Chairman.*) For that purpose the Port of London is quite separate from any other port?—Quite.

21,326. (*Mr. Harvey.*) Is there an actual cash office in the Long Room?—There is a particular part of the Long Room told off for the receipt of cash.

21,327. Actual coin of course would be paid sometimes?—Yes, but the proportion is relatively small.

21,328. (*Mr. Cleghorn.*) But a great deal of it would be by cheque?—It is mainly paid by what are called transfer cheques and notes.

21,329. (*Mr. Harvey.*) Does that go straight into the Bank of England?—The Bank of England clerks come to receive it at 3 o'clock.

21,330. (*Mr. Cleghorn.*) Daily?—Yes.

21,331. (*Chairman.*) To go on further with the controlling officers, and still taking the Port of London (I suppose that is as good as any, and the most important), will you just roughly mention if there is any difference between it and another port? Take the outdoor department first. I believe the inspectors are responsible for discipline?—They are responsible for everything which goes on in the division of the port which is assigned to them to take charge of.

21,332. For everything?—Yes.

21,333. Except, of course, the collection of money?—They have nothing to do with that.

21,334. Then the surveyors that are under them; what are they responsible for?—The surveyors that are under them are in charge of the different stations in the district, of which the inspector is chief.

21,335. Then they are a kind of sub-inspectors really, and they might be called sub-inspectors?—Hardly that. Say it is a good sized district, and divided into so many stations, over each of these stations a surveyor is placed, and he has under him again examining officers and outdoor officers. (*Mr. Prowse.*) A district is an aggregation of stations.

21,336. Then it is upon the examining officers (I see they are very numerous) that, in the first instance, the duty falls of seeing what goods a ship is bringing in?—(*Mr. Murray.*) Yes.

21,337. (*Lord Lingen.*) Would the first duty fall upon them, and not upon the outdoor officers?—The examining officers are outdoor officers.

21,338. Yes, they are outdoor officers, but in your very unfortunate nomenclature you call a particular class outdoor officers?—The outdoor officers are subordinate to the examining officers; they are the next grade to them.

21,339. Would the rummaging of the ship be done by the outdoor officers?—That is waterguard duty. The waterguard duty is chiefly done now by examining officers and boatmen.

21,340. (*Chairman.*) Perhaps you had better take the case of a ship coming into the Port of London?—She will first have the quarantine questions put to her.

21,341. (*Mr. Harvey.*) By whom?—By an examining officer and his crew.

21,342. Where does he meet the ship?—He meets the ship just below Gravesend.

21,343. (*Chairman.*) Is this man the waterguard?—Yes.

21,344. Then the examining officer in the outdoor department that Lord Lingen was referring to, is not one of the waterguard?—(*Mr. Prowse.*) Yes, there is the same title for all these officers.

21,345. (*Mr. Lawson.*) First or second class?—(*Mr. Murray.*) The majority of examining officers employed in the waterguard are of the second class.

21,346. (*Chairman.*) Would you point out in the estimates who these people are that you refer to, who is this gentleman who goes in the boat?—They would be second-class examining officers or assistant examining officers, and would be accompanied by three or four boatmen or outdoor officers. Sometimes outdoor officers are employed in the work and sometimes boatmen; but we are employing as far as possible boatmen now because they do the work better.

21,347. Do what?—Manage the vessels and to undertake the waterguard duty under the examining officers.

21,348. (*Mr. Lawson.*) Who are these boatmen?—These boatmen are appointed by the Treasury.

21,349. Are they called watermen of the first section?—Yes, they are divided into two sections.

21,350. (*Mr. Harvey.*) In reference to this boat which is sent to manage the vessel, who else have we got on board, we have got as far as a waterman and an examining officer?—There are an examining officer and three watermen. (*Mr. Prowse.*) Also an outdoor officer as tide-waiter, to be placed on the ship in charge while she goes up to her station.

21,351. (*Mr. Lawson.*) What outdoor officer?—One of those mentioned on page 9 of the estimates.

21,352. A man who is technically called an "outdoor officer"?—That is his title, he is a tide-waiter for that purpose. (*Mr. Murray.*) They and the boatmen are the lowest grade of established officers.

21,353. (*Chairman.*) Is the boatman the same as the waterman?—Yes.

21,354. Does the boatman row the boat as well as go on board the ship?—Yes.

21,355. (*Mr. Hanbury.*) Are they all on the establishment and entitled to pensions?—They are all on the establishment and entitled to pensions. (*Mr. Prowse.*) There is also a large army of extra men for supplementing them.

21,356. (*Mr. Lawson.*) Do the extra men sometimes row the boat?—(*Mr. Murray.*) Sometimes they put an

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

23 Nov. 1888.

extra man on who remains in the boat while the rest go on board, that is an economical arrangement.

21,357. Where do they appear in the estimates?—They will appear under "Glut" pay. You will see it if you turn to page 10.

21,358. Do you mean the item "extra and glut officers including preferable men"?—Yes.

21,359. Who are called "preferable men"?—There are some men who get 3*s.* 6*d.* a day, and the others get 3*s.* a day.

21,360. The 3*s.* 6*d.* man is "preferable"?—Yes.

21,361. (*Chairman.*) To return to the subject we have just left— you had got to the point of the ship being examined by an examining officer, and did you say one of the watermen?—Two of the watermen as a rule. Then the stores are sealed up at Gravesend, and the outdoor officer is boarded to bring her up to wherever she is going to be berthed: when she goes into the dock the officer who has been boarded on her from Gravesend is taken off that duty, and the ship is taken charge of by the landing staff in the docks.

21,362. (*Mr. Harvey.*) May we assume that these examining officers have rummaged the ship to see that the cargo agrees with the bill of lading?—No, they have rummaged the ship just so far as to seal up the stores. They cannot do anything in the way of rummaging the ship till the vessel has got cool—while the engines are working the heat is too great, and the officers can make no effective rummage. (*Mr. Prowse.*) Moreover, she would not wait; she must come up on the tide.

21,363. (*Mr. Lawson.*) I want you to follow that out; you said when she is berthed, then the officers go on board if possible?—If she is taken into the docks the Gravesend outdoor officer quits her, and she is taken charge of by the landing staff in the docks.

21,364. Who are the landing staff?—Examining officers again and surveyors.

21,365. Of the same class?—Yes, of the same class.

21,366. (*Mr. Hanbury.*) Who are import jerquers?—Import jerquers are those who see whether the cargoes of the ships that import goods are in accordance with the reports—it is a check that the work of the outdoor department has been properly executed.

21,367. (*Mr. Lawson.*) Then the examining officers do both duties?—They do both water guard and landing work.

21,368. Indifferently?—Not indifferently.

21,369. I mean they do both in common?—An officer may be told off one day to the waterguard, and another day to landing work, but as a rule officers are employed on the waterguard as much as possible on account of their aptitude for that duty, and we are rather inclined to keep them at the work which they do best; still the duties are interchangeable.

21,370. (*Chairman.*) Do the waterguard—the watermen as you call them in the estimates—become outdoor officers by promotion?—A boatman may be promoted to be an assistant examining officer, but the promotions are not very numerous.

21,371. The ship being in dock, she is, as I understand, taken charge of then by somebody on the landing service as it is called?—Yes.

21,372. Is he an examining officer?—It is taken charge of by the examining officer and the staff under him. The examining officer here again has outdoor officers under him.

21,373. What are his duties then with reference to the Long Room?—The ship immediately has to report, and even before she has reported she may commence to discharge. Immediately she is commencing to discharge, the entries are put in and then the examining officers begin. Then as soon as ever the vessel is in a state in which she can be rummaged, the first rummage takes place by some of the waterguard officers going to her. The examining officer and perhaps two boatmen will give her as much of an overhaul as they can. That operation will be repeated by a re-rummaging officer and his crew, and the same vessel will be re-rummaged several times in the course of her discharge.

21,374. (*Mr. Harvey.*) Can the lighterman begin to discharge a vessel without any authority from the Customs officer?—No, the ship must report first.

21,375. I want to learn what the lighterman requires before he takes the goods off the ship, must he have a Customs authority before he can touch the cargo?—Nothing can be taken off the ship until the entry has been passed.

21,376. (*Chairman.*) Who passes the entries?—The merchants' clerks, or rather I will say the merchants.

21,377. Initialled by the examining officer?—No, the entry is put in by the merchant's clerk, and given to the examining officer.

21,378. (*Mr. Harvey.*) The merchant is the consignee of the goods?—Yes.

21,379. He goes up to the Long Room and reports the nature of the cargo?—The report is made by the captain of the ship, and he is allowed in practice to report at the spot where his ship is berthed. The regulations are smoother in this respect than they were. As soon as ever he has made that report he may begin the discharge.

21,380. (*Mr. Cleghorn.*) Does he produce the bill of lading?—He produces a report. We have nothing to do with the bill of lading properly speaking; the report of the ship is what we go on. That is supposed to show everything which the vessel contains as cargo, according to its marks and the number of packages.

21,381. (*Mr. Harvey.*) Then that goes to the Long Room clerk, and the Long Room clerk gets the report on the ship?—If the ship reports at the dock she can begin unloading there at once, but if the captain chooses to report in the Long Room, that causes a little delay, but that is at his own option.

21,382. (*Chairman.*) If it is in dock I want to be clear who is the responsible officer who authorises the unlading to commence; is it the examining officer?—It is the examining officer in point of fact now. (*Mr. Prowse.*) The station surveyor, if any privilege is involved.

21,383. (*Mr. Hanbury.*) For that purpose a superior officer?—Yes.

21,384. But in ordinary cases the examining officer is the man who does that?—Yes, and there would be presented to him that very entry on which those statistics are framed of which we were speaking just now. That is the basis of statistical accounts.

21,385. (*Mr. Harvey.*) Do you mean that that record which goes to the Long Room is the basis of the entry in the statistics?—I think perhaps we are a little confusing the report with the entry. The report goes to the Long Room, the entry may go to the Long Room, or it may go locally. We do not force the entries into the Long Room, because the port is too large. At an outport they would usually go into the Long Room; but the reports all have at some stage to find their way into the Long Room to be filed.

21,386. (*Mr. Lawson.*) What do you mean by "locally" when you are talking of London?—The port of London is so extensive that we have divided it into districts.

21,387. (*Mr. Harvey.*) First of all, what is the entry?—The report is the basis of the whole.

21,388. Then begin with the report?—The report is the list of everything in the ship—all her cargo and the marks on the packages. It is a legal requirement to produce this on the arrival of a ship in port with a cargo. Then that report is broken up by the entries—is, so to say, broken up because a number of entries discharge the report.

21,389. (*Mr. Hanbury.*) Who is responsible for the report?—The captain.

21,390. (*Mr. Harvey.*) There will be a great many items in that report, of course?—Certainly. I should produce some specimens perhaps.

21,391. (*Mr. Hanbury.*) I do not understand the entry yet, would you clear it up a little; what is it?—The entry is a document upon which import goods are passed out of a ship and examined.

21,392. Who is responsible for it?—The man who owns the goods primarily.

21,393. (*Mr Harvey.*) I understand the report, and I understand the entry. Will you follow that out? What record is made in the Customs books of those two accounts?—Of the report no record is made in the Customs books, because the reports are filed, and it is simply an affair of numbering them; but every ship's report has to be discharged by the entries; it is a

debtor and creditor account. When a captain puts in his report he, so to say, raises an account against his ship, which has to be discharged by the entries; that is to say, the consignees of the goods produce entries for the different parts of that cargo. Those entries are specific information, they have to give the marks and the numbers of packages, and values, and other descriptions (all governed by the law), and those quantities and values are the foundation of the statistical returns. They go on from the station where the goods are examined to the statistical office for recording. These entries are done in duplicate, one we call the bill and the other the warrant. The bill is the copy which goes to the statistical office for record; and it is the basis of all that is there recorded. Then, at the end, all the entries are collected and balanced against the report; and that answers the question which was put just now as to what was import jerquing; it is the auditing of the entries as against the report.

21,394. (*Mr. Lawson.*) Is one of the surveyors the jerquer?—No; now that work is being done by a clerk. We had for a time a surveyor, but since those estimates were framed a clerk in the office is doing the work.

21,395. Does he receive the extra allowance?—Yes; but his own duty pay is in abeyance. I apprehend that in the next estimate this latter extra allowance will not appear.

21,396. It does not appear in the estimates for 1888–9?—No; I think not.

21,397. Does the clerk receive nothing extra?—Yes; he has the allowance to which I referred just now.

21,398. (*Chairman.*) All the duties in the Long Room which you have been speaking of are purely clerical?—Yes; inclusive of this import jerquing it is purely a clerical office.

21,399. Is that import jerquing easily learned. Is there any difficulty about that?—No.

21,400. I want now to come to the character of these other officers; do they require a long training, and where do you get your responsible officers?—They are trained through what we call the out-door department; that is, the examining officers get their appointments by promotion from amongst the out-door officers. The out-door officer is the commencing stage.

21,401. I want to get at the special requirements which the nature of the work entails upon the officers whom you employ and who are responsible for, I do not know whether to call it guaging—but I mean work of that sort?—We call the duties gauging and examination of duty goods, examination of free goods, and so on. I have detailed accounts of the duties.

21,402. Without giving too much detail, perhaps you would inform us of the nature of this work?—Would it do to begin with the duty of an out-door officer, he being the lowest?

21,403. Take it either upwards or downwards, having regard to the special qualifications that are needed, as you explained just now, on the part of the Customs out-door staff. Take the boatman first, if you like. Has the boatman any special qualification when he comes in?—He comes in upon only a slight educational test; he gets his appointment not by competition, but by direct Treasury nomination.

21,404. (*Lord Lingen.*) He gets a certificate from the Civil Service Commissioners, does he not?—He does. He passes a slight educational test before the Civil Service Commissioners.

21,405. (*Chairman.*) He is the lowest out-door officer naturally that you have. Is he called a waterman at first?—He is called a waterman in London, and a boatman at the outports; but there is absolutely no distinction in the duties.

21,406. How soon is he put to the duty of going on board a ship?—Almost immediately. Many of the boatmen who are appointed cannot row, so immediately on appointment they would have to learn rowing. It is an absolute fact that many of the men who are appointed to be boatmen cannot row, and therefore must be taught that art before they can be probationed.

21,407. (*Mr. Hanbury.*) Who recommends them for appointment?—Members of Parliament, I believe.

21,408. (*Mr. Lawson.*) Is the recommendation of a member of Parliament a sufficient guarantee for their honesty?—They have to undergo after nomination all the inquiries by the Civil Service Commissioners as to character and fitness—physical fitness especially; the Commissioners are very rigid about that.

21,409. (*Mr. Hanbury.*) Can you suggest any better system for recommending these men?—Not unless we could have sailors. Many of our extra men are certainly more reliable from the point of view of safety.

21,410. What is your idea of the way in which these men ought to be appointed?—I should certainly say we should do better if the appointments were given to those who have either served an apprenticeship at the sea, or who are willing to come out of the sailor profession to undertake work of this sort, because not only should we like them to be able to row, but it is an advantage that they should know the meaning of the different parts of the ship, and know where to go when undertaking such work as rummaging.

21,411. Then you know nothing whatever about these men till you find them appointed by the Treasury?—Nothing whatever, unless they may have been some of our extra men.

21,412. (*Chairman.*) The extra men—the glut men, and the preferable men that you talk of, are employed at the outports as you want them?—They are casual men.

21,413. Casually employed, provided you get a good character with them?—Yes.

21,414. (*Mr. Lawson.*) I want you to explain a little further an answer you gave just now. You said you found the extra men more satisfactory?—I said so, from the safety to human life point of view.

21,415. What do you mean by "human life" in that connexion?—I mean the safety to human life. An examining officer would naturally rather have two or three trusty extra men to row him about in his boat than people who cannot row.

21,416. (*Mr. Hanbury.*) I suppose there is some expense involved in training those men for their work?—Certainly. There is a six months' probation usually served at the river station just below London Bridge. The officers there have to be responsible that the candidates learn to row, and also practice the other initial stages of their duties.

21,417. (*Mr. Lawson.*) How long does that take?—Six months usually.

21,418. Sometimes longer?—It is a six months probation.

21,419. (*Mr. Fowler.*) I suppose apart from all other considerations if you were really trying in the public interest to get the best men, you would take intelligent young sailors of about 19 or 20?—Undoubtedly, and we should fill up the places without the least difficulty.

21,420. (*Mr. Hanbury.*) They could be put to out-door work at once?—Yes, for the important work; but of course they would have to learn official forms.

21,421. You said these boatmen were never or very seldom promoted. Is it because they are of this class of men that they really do not get promotion?—It is because they are not, so to say, in the line. They come purely for what we call waterguard work—waterguard service; they do not learn the practical duties of an officer; that is to say, they do not learn to be gaugers; they do not learn to be examining officers in the sense of actually examining goods for landing, shipping, and so forth; and they do not learn warehousing work.

21,422. (*Mr. Harvey.*) Do they rummage?—They rummage; and there are promotions occasionally from their ranks into the rank of examining officers or assistant examining officers. But a man who has been so trained seldom develops talents that make him fit for all the duties of an examining officer; he is usually limited to waterguard services.

21,423. (*Mr. Fowler.*) Is there any limit of age?—For admission there is a limit of age—25 is the maximum.

21,424. (*Mr. Lawson.*) What are the conditions of the Civil Service Commissioners with reference to these men?—First of all, physical fitness—so many inches round the chest, and so on—then a slight educational test, age and character.

21,425. (*Chairman.*) The work that these men do is principally physical work, is it not?—Yes.

21,426. You spoke of rummaging, that is, more moving the thing about and assisting the examining

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

23 Nov. 1888.

officer, as I understand it, than really examining the things themselves?—Yes.

21,427. Occasionally they rise to be assistant examining officers?—Yes. (*Mr. Murray.*) They also by experience become very skilful attempts at detecting smuggling; from the knowledge they gain of the ships they know where to look for the hiding places.

21,428. (*Mr. Hanbury.*) Does this mode of appointment which you describe apply to all the ports, and is it universal?—(*Mr. Prowse.*) Yes, to all the watermen in London, and all the boatmen at the outports.

21,429. At Liverpool, for instance?—Yes.

21,430. (*Chairman.*) The next class above him. How do they enter, and what work do they do? Would they be the "Assistant examining officers," or are they the "Outdoor officers"?—The outdoor officers. There are the two lines, the waterman line and the outdoor officer line. The outdoor officers get their appointment not by direct appointment, but by open competition under the Civil Service Commissioners.

21,431. Is there any special qualification required of them?—There is no official special qualification other than that which is required of the other class. There is, however, the qualification of beating other men in the examination; that is to say, the educational test. Then there is the physical test, and the test of character and age; but as regards our service there is no special qualification. They serve a six months probation when they come, and if they come well out of that they get established.

21,432. What class do they mostly come from?—The majority of those that come to us in the port of London now, and in the port of Liverpool, are respectable young Irishmen.

21,433. What had they mostly been before, had they been on the land, not on the sea?—Many had been pupil teachers in schools or had been in offices or shops. They are in many cases farmers' sons, and are a very respectable class of men, so much so, in fact, that the work at first required of them is hardly up to their educational acquirements, which leads to agitations for more pay, and so on.

21,434. (*Mr. Harvey.*) Are they good enough for the work, do they do the work well?—They do the work well because for the first two or three years in London they have very simple work to do, that, namely, taking charge of ships between Gravesend and the Docks, under the arrangement we were speaking of just now; but by degrees they come on to be landing and warehouse officers. We also now employ them a good deal on office work (at outports chiefly). It is to their interest to learn gauging and other practical duties as soon as possible because they thus become available for promotion, either by competition or selection. They do their work well; but at the same time they are hardly a satisfactory grade of officer in all respects.

21,435. (*Chairman.*) Then all the technical work that is required of all your officers is learned in the profession, so to speak, after entry in the service?—Yes; quite so.

21,436. What do you say are the special qualifications which necessitate a good deal of learning which you require in the Customs work before you get into the warehouse or the Long Room; gauging is one, is it not?—Gauging is one.

21,437. (*Mr. Hanbury.*) What do you mean by saying they were hardly a satisfactory class?—Because they sometimes are a little above their work; the result of a comparatively high educational test being to give us a man rather too good for the position, in its earlier stages.

21,438. Is there any improvement you can suggest in that respect?—In old days we had what were called "landing waiters," who were equivalent in many respects to the examining officers of to-day. Those landing waiters began in London at a salary of 160*l.*, and undoubtedly we got through that arrangement, a superior order of men. Now we shall be, under the present system, wholly dependent upon promoted outdoor officers for succession to the higher places. From the nature of things these are not of quite the same class as the old landing waiters, and we are already experiencing, at times, a difficulty in filling up some of the higher places, because, although the class of men is, as beforesaid, very respectable and well educated, they are, as a body, hardly the sort of men for filling some of the higher places of the service. Some of our surveyors to-day, for instance, are promoted outdoor officers, and I should not look upon them all as of the same value, on an average, as those who had their first appointments in the manner already mentioned, and who are thus of a somewhat higher social grade.

21,439. (*Mr. Lawson.*) I should like to know what you mean by "social grade" in respect to outdoor officers?—The outdoor officers of to-day are, officially, the equivalent of the tide waiters and lockers of former days.

The witnesses withdrew.

The Right Hon. WILLIAM EWART GLADSTONE, M.P., &c., &c., &c., called and examined.

Right Hon. W. E. Gladstone, M.P.

21,440 (*Chairman.*) This Commission, as you know, Mr. Gladstone, is just now inquiring into the old question of amalgamating the Customs and the Inland Revenue Departments, and they would be exceedingly indebted to you if you felt yourself able, from your long experience, to give them any opinion upon the policy of such an amalgamation?—I should be most happy to place at the command of the Commission any service that I can render. On the one hand, I feel that for now a good number of years my view of the subject has been rather a remote one; it has not been freshened by incessant intercourse with the heads of both departments for some little time; but, on the other hand, it reaches back over a long period, and I have witnessed, and even shared in, the great changes in our laws as to trade, shipping, and fiscal administration which have helped to bring this question to its present state of ripeness. I will follow whatever course you think fit.

21,441. I observe that you say that the question has got to a state of ripeness. I apprehend, therefore, that you think amalgamation possible, and I hope that you may have a definite opinion upon the subject which you might be able to give us?—I will endeavour to do so. I assume, in the first place, that we are not now called upon to give opinions on the question which arises between administration by Board and administration in the other form of a responsible head of an office with other such persons under him as it may be requisite to appoint. I presume that is not the point immediately suggested to me; but the question is of the amalgamation of the two departments. Perhaps I ought to begin by saying that I was questioned—I do not know whether I ought to say questioned—but I was led to give expression to such opinions as I had then formed on this subject in 1862, and those opinions were unfavourable to the idea of amalgamation. I own I do not think that the question at that time was ripe. I do not think it had taken such a place in public opinion as would have enabled it to be favourably considered, but that which influenced me mainly in the opinion I then gave was the sentiment of the Board of Inland Revenue itself. It was then under, I think, Sir Charles Pressly, for whom I had the greatest esteem, and with whom I worked long and much. The opinion of that Board, I think, at the time, in which I could not but concur, viewing it as a practical question, was that the amalgamation already effected had not taken full effect. I say it was Sir Charles Pressly,—perhaps it was his predecessor, Mr. Wood,—but one of those two admirable public servants certainly stated to me: "This is mis-" called an amalgamation, it is a juxtaposition of three " Departments, but there is no vital unity established " between them. They are three Departments put " under one authority, and so far working together." That, I believe, was strictly the case in 1862, and did continue to be the case for some considerable time.

Now I believe that that is not the case, and that the amalgamation is a real amalgamation, so that it having been made real in the Inland Revenue Department, public authority is in a condition to consider whether it is or is not expedient to go forward with it. I should venture to give it as my opinion that the *primâ facie* case for amalgamation is far stronger between Excise as such and Customs as such in the

present state of our laws of trade and shipping, than it was between Excise on the one side and Stamps and Taxes on the other.

I admit, however, that as the Customs Department was, when I first practically knew it, which was about 47 or 48 years ago, it was evidently marked out for separate action. It was then a department working a system, which, in the main, was not on the land but on the water. No doubt warehousing had come in, but still the Customs Department was a department with very complicated shipping laws to administer, and a very complicated system of duties, drawing every sort of artificial distinction, and raising every sort of question under a peculiar law. So that at that period undoubtedly the chief business of the Board of Trade was to deal with cases of Customs law which cropped up every day. I am under the impression—I am not certain—not that those cases have disappeared altogether, but that they may be said comparatively to have disappeared,—that the laws out of which they grew have been either repealed—in most cases repealed—or so simplified that now the functions of the Board of Customs are reduced to a great simplicity, and, moreover, that they are now chiefly inland functions.

At that time, according to my recollection, the Board of Customs had its establishments all over the world—when I say all over the world, of course I mean in our own principle colonies. In Canada, in Jamaica, and elsewhere the Customs establishments were administered from the Custom House in Thames Street, and were strictly a part of the domestic organisation. It was one system reaching over sea in every direction. I believe that has been entirely changed. I am not able to say whether that is so. Of course information would be at the command of the Commission; but I believe that has been either altogether or almost altogether changed, and the function and office of the Board of Customs has altered its character, and it has come immeasurably, I would almost say, nearer to the functions of a Board.

Consequently, I do not say that the argument—the presumptive argument—in favour of separation of the Departments has the force which it formerly derived from the nature of the duties. I am not now speaking of the extent of the duties. If the duties are too large to be discharged under one authority, and by one organisation, that is another matter; but the nature of the duties seems to me to point to amalgamation rather than the continuation of a separate existence. Of course I do not enter into the question of all the subordinate and miscellaneous duties which have been aggregated around the office of the Customs as they have around the office at Somerset House, because I presume that those are secondary matters, and could not determine the question whether the great Departments ought to be united or not, and that secondary arrangements according to convenience would be made for the discharge of them, whatever course is taken as to amalgamation.

21,442. Would you be able to give an opinion, from the point of view of the collection of the Revenue, whether you think the collection of the Revenue, which is somewhat *in pari materiâ*, by different establishments which are now in a kind of emulation, so to speak, or rivalry, is a good thing or not for the public service, or whether it would be desirable that the whole of the collection of the Revenue should be under one Board?—I should certainly be for having the collection of the Revenue as much unified as it was possible. I think in all those matters of pecuniary account, though I may be a decentraliser in other respects, I like very much the centralisation of account, and of pecuniary management, and I think it works very well for the public service. Where the duties are analogous, I should certainly say that whatever argument arose from that fact, would not at all be neutralised by any such idea—at least in my mind—as that it was desirable to keep the collection of Revenue in different hands, for the purpose of supplying a stimulus to the performance of duty.

21,443. May I ask you another question from the point of view of the Chancellor of the Exchequer? I think it possibly may be asked as a matter of policy whether the Chancellor of the Exchequer, in preparing his Budget scheme for the taxation of the country, is or is not in a better position by having the Chairmen of two great Boards to consult, who naturally look upon the revenue from two rather different points of view. Could you express an opinion upon that point? I quite understand that it may be difficult for you to do so?—No, on the contrary. I look upon that question entirely in the light of experience, and undoubtedly it is the part of the subject upon which I think I should be disposed to speak most positively. In my opinion there is no such advantage whatever. Perhaps, if you will allow me, I ought to go (having stated so much) a little farther into the question; and to say that there has been during the whole of my public life a certain difference in the action and in the tradition of these two Boards which I cannot wholly account for. I mean, of course, nothing in the nature of a reproach to any member of either of them. They are extremely able men at Somerset House, and they are extremely able men connected with the Customs Department; but unquestionably I may say that, after a really very long experience, I see no advantage whatever in that severance with a view to the advising of the Chancellor of the Exchequer. I think the question is, which Department, from all its circumstances taken together, in its nature admits of, and historically has exhibited the best and most efficient organisation. And if it is a question between having one more highly organised Board and two Boards somewhat less highly organised, or one highly organised and the other a little less highly organised, I have no hesitation in saying I would much rather get the whole of my advice from the one Board.

Right Hon. W. E. Gladstone, M.P.

23 Nov. 1888.

I have never found, from what reason I know not, and, as I say, without having ever had the slightest reason in any way to complain of either the one or the other, I have not found that the tradition of the Board of Customs came quite up to the tradition of the office at Somerset House. There has not been the same forward spirit in it—the same anxiety, I think—no—anxiety, I cannot doubt, there has been just the same; but certainly not the same habit, not the same forward attitude in grappling with the exigencies of the time, and meeting and confronting and promoting and encouraging changes that have proved to be beneficial. As the question is put to me distinctly from the point of view of an old Chancellor of the Exchequer, perhaps I may quote two cases which I think will in some degree illustrate what I mean; and the one of them connected with the one of the Departments, and the other with the other. The one connected with the Customs is the change in the wine duties which was made in 1860, and the other is the change in the malt duty—the change from the malt duty to the beer duty—which was made in 1880, both under my responsibility as Minister of Finance. The more difficult of the two undoubtedly was the latter. That was one of the most—at first sight—anxious and dangerous fiscal questions to encounter, and its administrative detail, complex to the last degree, requiring the complete and sudden metamorphosis of a whole code of regulations and interference with trade. That change in the beer duties was desired, promoted, and advised by the Board of Inland Revenue; and from the Board of Inland Revenue, and especially from that incomparable public servant, Mr. Adam Young, I received such assistance and advice and information as gave every imaginable advantage for working through the change.

Well, now, if I go back to the wine duties, that also was a very curious case. The case of the wine duties had long been a puzzle—an unsolved problem. Everybody felt that the system of imposing a duty of nearly six shillings a gallon upon wine of all descriptions was thoroughly unsatisfactory and indefensible, but no one had ever struck out a means of introducing a better system. Of course men's minds went first to the idea of an *ad valorem* duty as an alternative, and Mr. Porter, of the Board of Trade, about 1840, I think, with a view to a treaty with France, attempted to introduce a mixed method of charging wine—a low fixed duty, and then an *ad valorem* duty; but that never was adopted, and it would only have been a very indifferent compromise with all the difficulties of an *ad valorem* duty, which, as applied to wine, may fairly be called insurmountable, would have had to have been encountered. But the Customs never felt they could venture to make any suggestion for the improvement of the wine duties, and undoubtedly their departmental advice was that they should continue as they were. Well, in 1860, the immediate occasion being negotiation with France, the Government undertook to propose the total change of the basis of the duty by the adoption of what is called the alcoholic test.

It may be asked whence came the suggestion of the alcoholic test? Not from any agent of the Government whatever. It was made known to me entirely by the

Right Hon. W. E. Gladstone, M.P.

23 Nov. 1888.

practice of a private firm whose name I have forgotten now. A private firm in London—I do not know whether Lord Lingen recollects the name of the firm or not—was in the habit of making use of the alcoholic test for its own purpose in the market. That was the whole and sole reason of the introduction of that change; and frankly, it must be recorded that the Customs were full of doubts and misgivings as to that change. Now, I need not say this, that if it had failed, if it had worked badly, my position would have been a very weak one. My first duty would have been to confess that the Customs had always objected to it. And consequently when I compare cases like those the Commission will readily understand that I do not attach a great value to the idea of keeping up this dual channel of advice. What I should like to have from the practical administrators of the Revenue is the very best advice; and, if I can have a Department so organised that it is likely to give me the very best advice, I am prepared to must that Department all the way through. From the Board of Inland Revenue I never have had anything but, I think, the best advice, and the most wonderfully forward disposition to promote and to adopt improvement. The Board of Inland Revenue is a Department that has never waited for pressure; so, at least, it has always seemed to me. It has always been desirous to suggest improvement of its own accord. I am bound to say this also, that I consider the Chancellor of the Exchequer to be extremely well provided with financial advisers now. It was not so 50 years ago. Fifty years ago he had no security whatever for having any good financial advisers in the Treasury, which may seem very odd; but, under the present organisation of the Treasury, he is quite certain to have them there. He has always a good financial adviser, as far as public money is concerned, in the National Debt Office. It is his own fault if he has not, for he appoints the Comptroller of the Office, and I think that, if he has an able Chairman, and very commouly not a Chairman only, at Somerset House for Revenue purposes, he has everything that he can desire.

21,444. Would you attach any weight to the argument, which I think possibly also may be raised, that if you create a single Chairman and a single Board responsible to the Chancellor of the Exchequer for the collection of whole revenue of the country, you not only make a post which is exceedingly difficult to fill, but you also create a very powerful department, and a very powerful executive officer. There is a further objection in connexion with that also, that there might be presumably considerable danger that such an appointment would be too good to be passed over by the great political parties, and that there would be more danger than there is at present in making some ex-Minister the Chairman of the Revenue Board?—That certainly would be a very great misfortune if it came about. Of course there is a great advantage in having appointments made conspicuous. Upon the whole, they are less likely to be jobbed; but, undoubtedly, if an appointment comes to be one of such elevation, emolument, or reputation as to offer very great worldly attractions, there is the other danger that pressure may be brought upon the Government to make it a convenient machinery for disposing of claims that, in other shapes, are inconvenient. I admit that that would be a great calamity if it occurred. Let me take the Board of Inland Revenue as it has been during the time that I have known it—I have not known it intimately as long as I have known the Board of Customs—I began to know it intimately in the end of the year 1852. Since that there have been five Chairmen, every one of whom, I think, has been thoroughly up to his work, in unbroken succession. And there has usually been a Vice-Chairman; indeed, I am not sure that there has not uniformly been, there is now, and I think there has always been, a Vice-Chairman who likewise was extremely valuable as an assistant to the Chairman, and even as an assistant to the Chancellor of the Exchequer. I hope that that evil is not likely to occur; and I feel quite confident of this, that if the advice of this Commission to Her Majesty's Government should be to promote an amalgamation, the Commission itself might do a very great deal towards the reducing to zero the risk of such an evil by pointing out the danger, and indicating with what care it ought to be avoided.

21,445. Supposing that danger to be got over, the question naturally arises (indeed I observed that you yourself made reference to it in the debate upon the appointment of Mr. Horsfall's Committee) whether the functions might not be rather too weighty and too anxious to put into the hands of one man, whether in fact in all probability the Chancellor of the Exchequer and the country are likely to get the services of one man himself capable of conducting such a very large and single Revenue Department. Do you think there is any weight in that proposition?—I thought so at that time, because my reason for thinking so, I believe, was that at that time the unity of subject and unity of view had not been established within the Board of Inland Revenue itself, and consequently, as the full responsibilities of the Department had not then been quite fully mastered, I was very much afraid of making an addition to them. I am not conscious now, I may be wrong, but I do not feel at all certain, that any grave addition would be made to the responsibilities of the Department by adding the work of the Customs, on account of the very large ground occupied in common between them in respect to the main business of collection of the Revenue through the medium of the warehousing system. I do not presume to give a very confident opinion upon that subject, but that is my impression.

21,446. Then, if the change were not shown to be economical, if there was no distinct gain shown by the abolition of two or three Commissioners, and so on, I understand it, on the whole, to be your opinion that you would think it would be an administrative improvement; I think at all events you say that *primâ facie* it is desirable, and that is not open to the objections which I have hinted at, and which I think might be raised, as to the political nature of a possible appointment, or as to the difficulty of finding a man capable of discharging the duties of Chairman?—No, I think the dangers might be obviated. I think that the real interest lies in having the highest efficiency. I think that, upon the whole, the highest efficiency would probably be obtained by a combination between the Departments; but I own I am also very decidedly under the belief that a considerable economy would be the natural result; that from the nature of the case it happens that both the one and the other Department must have a great number of officers whose time is not fully occupied, and that where that is the case, with judicious management, there is very, very great scope for retrenchment by consolidation of duties without introducing any other difficulties of over-work, so that I should be undoubtedly very much disappointed if, among the results of the change, there were not to be found really considerable public economy.

21,447. From the point of view of public convenience, I dare say that in the course of your varied experience you have had to see a great many traders who were concerned with both Departments. Does it strike you, from the point of view of the convenience of traders dealing with both Departments, that even if regulations are made uniform as they are very nearly now, the general feeling would be in favour of dealing with one Department rather than with two?—I feel that on such a question I am rather giving second-hand opinion; but my impression certainly is that the change would be a popular change. I think that the growth of this movement, the origin of this movement, as far as I can make out, has been popular. It has been the commercial instinct of the different local committees that have prompted it from a very early stage onwards, as far as I know.

21,448. Perhaps I may hardly ask you whether you have looked into the way in which the amalgamation would operate as to the constitution of the Board and so forth. I believe in the case of Mr. Horsfall's Committee that the idea was at that time to amalgamate only the lower portions of the staff, and that the Committee did not think so much of the amalgamation of the Boards. At the present moment the amalgamation of the Stamps and Taxes is only carried up to a certain point; that is to say, it is all brought under one Board, but at Somerset House the immediate heads are still confined to the separate work of Stamps, Taxes, and Excise, and so forth?—Yes.

21,449. Have you looked into it sufficiently to be able to say whether you think it would be best to have one Board in the form of a Board, or have you an opinion upon that subsidiary question, as to whether it is best to have a Board or a Controller?—I have never considered that question sufficiently to give a confident opinion. My own leanings would be, as a general rule, against a Board, and in favour of a system which brings individual responsibility up to the highest point to which it can be carried. But I do not think that I have looked into it sufficiently to speak very confidently about it. What I think is, that Customs Duty and Customs Law

would evidently require to be made a special, and in some degree a separate subject, under the supreme authority at Somerset House; but that that would be a matter not difficult of adjustment in Somerset House itself, perhaps by a permanent and inflexible, perhaps by a less permanent and more flexible system of division of duties. I should always require, if I may so say, the advocate of a Board—for doing business by a Board—to show cause; and I should cross-examine him as well as I could, believing that, as a general rule, it is not good, nor am I aware of anything in the nature of the duties of the Revenue Departments which would lead me to suppose that it was good. Of course I need not say that it has been a very slow operation to bring the Boards down, and get them within moderate numerical compass; so that, if the other circumstances were prepared for any change, the public might not be burdened with very heavy superannuations.

21,450. The view that Sir Algernon West expressed to us the other day was that there was an advantage in the impersonal character of a Board in dealing with the public as taxpayers; he thought it a very convenient thing that the Board stood between him and some of the persons with whom he may have to deal. I asked him that very question as to whether he attached any particular importance to a Board, and that was rather his view, though not very strongly?—I do not deny that—we have an analogous case in the instance of my Lords, somewhere a little nearer where we are now—I do not deny that there is a certain amount of official convenience in it. There are higher authorities upon it at this table than I am.

21,451. Then as regards the constitution both of the Inland Revenue and the Customs as Boards, whether amalgamated or not, you see no particular advantage in doing the work by Commissioners sitting in a Board rather than coming back to the theory of responsibility in an individual?—No, certainly not. I am aware of no reason why the general rule, which I take to be undoubted, of strict individual responsibility should not apply in their case; and I think, while admitting the official convenience of a small morsel of circumlocution in regard to that, there is that sort of circumlocution which undoubtedly arises a given amount of public jealousy. The public are a little jealous of being put off, I think, by an impersonal agency in the refusal of things they desire to obtain.

21,452. In the collection of revenue that ought not be somewhat desirable from the public point of view and quite leaving out of question the inconvenience of the officials—from the public point of view in the collection of revenue might there not be some force in the argument that it is desirable to deal impersonally with some of those questions?—I own that I do not attach, and I cannot attach, much value to it.

21,453. I do not know that there is any other point, Mr. Gladstone. I have not myself anything farther to ask you; and perhaps you will now allow some other Commissioner to ask you some questions?—I shall be most happy to answer any questions they may address to me.

21,454. (*Mr. Fowler.*) I understand, Mr. Gladstone, that, looking at it from the two points of view of economy in administration and efficiency in administration, upon the whole you incline to the opinion that it would be desirable to amalgamate the two Boards?—Yes, I am prepared to say as much as that. In the state to which we have now reached, in the condition of our laws and the mode of working them, and the mastery which the Board of Inland Revenue has attained for all practical purposes over its work, I think, on the whole, that that is the soundest opinion.

21,455. (*Mr. Maclure.*) Have I understood you rightly; you said that when first you came into practical public life the Customs collected the revenue of the Colonies, and that you were not quite sure whether there were any establishments still existing in connexion with the Colonies?—No, I am not quite sure.

21,456. I believe there are none?—My impression is that undoubtedly; if it exists it must be upon a very contracted scale.

21,457. Because they collect all their own duties?—Yes.

21,458. The other thing I wish to put to you is about the anxiety of the Customs—I did not quite understand that; you said that there had not been quite the effort and desire, as I understood it, on the part of the Customs to formulate or to bring forward before the Government any reformations and economies to the same extent that there had been from Somerset House. I can quite believe it, but I only wanted to know whether I quite understood the answer?—I think the spirit of administration as regards the Departments, the discipline of the Departments, and the economy of the Departments has been exactly the same, so far as I have ever had the means of judging. But as regards advising and guiding changes in the law, unquestionably I cannot say that there has been the same—what shall I say?—courage on the part of the Customs which I have always found in the Board of Inland Revenue.

Right Hon. W. E. Gladstone, M.P.

23 Nov. 1888.

21,459. I think the word you used was "anxiety"?—I should gladly correct that word, because I can draw no distinction of public spirit in the intention of those who have presided over the Departments

21,460. (*Mr. Lawson.*) Of course it is easy to see the facility of amalgamation between the two Boards in respect of the warehousing work. Do you anticipate that there would be much difficulty, in respect of the functions performed by the Customs in the boarding of ships and in the supervision and examination of the non-dutiable articles which do not bring in revenue?—I can conceive that all that would have to be met by a judicious division of sub-Departments in a great Department: so it appears to me. Unquestionably when one looks at the nature of the duties directly connected with shipping and going on board ships and watching and superintending—all that is done in and from the ship—that evidently points to a subdivision of duty. But I do not see in any of those subdivisions anything that appears to me to be an adequate reason for a subdivision of the highest responsibility. I do not see anything in such an order as would point me to think of dividing the highest responsibility.

21,461. (*Mr. Harvey.*) Do you think that that subdivision that would have to take place under a united Board would be analogous to that which exists now in the case of the Inland Revenue Department, where duties so distinct as those of Excise and Stamps and Taxes, are practically under one management?—No doubt it would be a question of degree, and would adjust itself no doubt in detail.

21,462. (*Mr. Hanbury.*) I do not quite gather from what you said whether the different spirit which you said was at work in the two Departments was due to the different organisation and constitution of the two Departments, or to the accident of the staff that might be filling the various offices in those Departments at any given time—whether it was personal or not?—I do not know of any difference in the organisation of the two Departments, nor can I very well explain to to myself the kind of distinction which I have, notwithstanding, found to exist in practice. I can draw no distinction between the honour and character of the men superintending them.

21,463. It might be rather the tradition of the two offices?—I think that is the word that I myself would rather like to use; the tradition of the two offices is not quite the same; and the tradition of the Board of Inland Revenue, from whatever cause, I think has been the more energetic, and in being more energetic, certainly not less wise.

21,464. Would it not be possible that the tradition of the Customs would still be carried on if there were an amalgamation so far as the Customs Department was concerned?—No; I think that the sense, and will, and habit of the superintending authority, provided due pains are taken to keep that in a state of efficiency, would (as I think is generally so universally found in the working of the Government) certainly determine the character of the entire Department.

21,465. Then your idea would be that the Customs would be merged in the Inland Revenue Board and not *vice versâ*?—Clearly. Undoubtedly if the amalgamation takes place, I should hope to see the Inland Revenue Department continuing to be the dominant element in the compound.

21,466. (*Lord Lingen.*) I understood you to say that, even if you had not observed this difference in the practice and tradition of the two Departments, looking at it quite impersonally, you would still be in favour of amalgamation. Was that your conclusion?—I will go as far as this, to say at any rate that I should not see serious force in the arguments against it.

21,467. (*Chairman.*) I think, unless you have anything to add, we will not detain you?—I think such small matters as have occurred to me you have kindly given me an opportunity of explaining.

The witness withdrew.

Adjourned to Monday next at 12 o'clock.

SIXTY-SECOND DAY.

7, Whitehall Place, Westminster, S.W., Monday, November 26th, 1888.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B. | Mr. J. CLEGHORN.
Mr. H. WALPOLE, C.B., *Secretary.*

Mr. HERBERT HARLEY MURRAY, C.B., and Mr. RICHARD THOMAS PROWSE, recalled and further examined.

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

26 Nov. 1888.

21,468. (*Chairman.*) First of all I should like to ask you whether you have anything to say with reference to the evidence you gave on the last occasion?—(*Mr. Murray.*) With your leave I should like to correct a statement I made on Friday as to the bills being sent direct to the Accountant-General. I find that was the practice in former days, but about 10 or 12 years ago it was changed and now they are sent straight to the Bank and the Accountant-General is only advised.

21,469. (*Mr. Cleghorn.*) Do you mean the bills from the country?—From the banks.

21,470. From the outports?—Yes.

21,471. And the Accountant-General does not receive money now in any form or shape?—He does not touch any money either in the shape of a bill or anything else.

21,472. (*Lord Lingen.*) When a negotiable instrument comes to the Customs from the country, who receives it there?—It goes to the Bank of England. It does not come to the Customs Office at all.

21,473. Does no bank note or negotiable instrument whatever come to the Customs?—Not from the outports.

21,474. From the outports, when it comes to the Customs, who opens the envelope and finds the instrument there?—The instrument does not come to the Custom House at all. It goes to the Bank of England.

21,475. I understood you to say that some did?—None do; the advice comes, but the bill goes straight to the Bank.

21,476. May we hold this, that every piece of paper that represents money, and all coin, if such a thing even did come, goes straight from your collectors in the country to the Bank of England?—Yes.

21,477. Without the Custom House intervening at all?—The Custom House does not intervene at all. The Custom House only receives the revenue paid in at the port of London.

21,478. (*Mr. Cleghorn.*) That is received by a clerk from the Bank, who, I understood you, attends daily?—Yes, at three o'clock.

21,479. He comes down every day to the Custom House?—Yes.

21,480. Does he take the money in a lump, or does he count it?—It is mostly received in what they call transfer notes and Bank of England notes, and a small portion in coin. That is all counted by the clerk of the Bank of England, and he gives the collector a receipt for it, and he takes it away with him.

21,481. I see for the services of their clerk, the bank is paid 300*l.* a year?—Yes.

21,482. (*Lord Lingen.*) Then the person who receives the London dues and hands them over to the bank clerk is the collector?—The collector.

21,483. And the receipt that the bank clerk gives him answers to the advice from a country collector?—Yes; it would do for the Accountant-General.

21,484. That receipt I mean, passes into the accounts room?—It is sent on to the Accountant-General at the close of each day.

21,485. (*Mr. Cleghorn.*) The collector having got the bank receipt for his money, is acquitted?—Yes.

21,486. (*Lord Lingen.*) Practically you would only have all financial questions that arise inside the Customs go to your accountant?—Yes.

21,487. (*Mr. Cleghorn.*) I do not know whether the bank sends a letter of advice to the Board of the amount of credit to the Customs account?—The pass book would show that.

21,488. (*Chairman.*) When we left off on Friday we were engaged in inquiring into the controlling staff of the port of London, and especially upon the out-door department. I think we were following the arrival of a ship, and the manner in which the dutiable articles were dealt with. I presume that, taking it size for size, the ports of Liverpool, or ports of that sort of a larger or smaller size, are identical in these respects, with the exception of the collector at the head, about the difference in whose position you told us last time?—The duties are in some respects the same. The collectors in the small ports are in this position. They have to act as surveyors; they have out-door duties to attend to. At the large ports where there are surveyors also the surveyors superintend the out-door duty, but in the smaller ports, where there is not work enough for the two classes of officers, the collector has to discharge both duties.

21,489. At some of quite the small places is not the collector pretty nearly the only person there?—There is always a small clerical staff under him.

21,490. One or two instances have been given to us of some of the very small ports. I think Aberystwith was named where the revenue collected was exceedingly small. I think it was quoted at 1*l.* for one year?—There is no collector at Aberystwith, only a principal coast officer now, or superintendent, I forget which.

21,491. When you come to a port where there is a very small amount of business and a small amount of revenue, what is the rank of officer that you keep there to guard the revenue, to see that no dutiable articles come in?—In some cases they are superintendents, and in other cases they are principal coast officers, at such a place as Aberystwith, for instance. I think we have lately at Aberystwith made some change, and that we have now a principal coast officer there in place of the superintendent, because the business has fallen away so.

21,492. (*Lord Lingen.*) Would the superintendent when he is the sole person be a principal or first class or second class clerk?—No; the superintendents are a separate grade.

21,493. In the absence of a collector, do not they represent the indoor department?—The superintendents are the heads of small ports or districts.

21,494. Then it is an acting title for an examining officer, is it?—No.

21,495. Is he of a separate class?—He is of a separate rank.

21,496. Does he come between the surveyors and the examining officers in the scale?—In position, as being in charge of a small port or district, he is more nearly allied to that of the lowest paid class of collectors; I should say that his duties are simple; an officer of this grade is stationed at places where there is no money to collect, but where usually there is a good deal of Board of Trade work and preventive work to attend to.

21,497. He superintends both the outdoor service and the indoor service, when he is at the port in the place of a collector?—Quite so, and usually he has a considerable district of coast to attend to. In some cases, especially in Ireland, there are very large districts.

21,498. (*Chairman.*) Do these men, whatever they are called, who are in charge of these districts require any technical or special knowledge of their work?—Yes; they must have a good knowledge of shipping business *quâ* Customs work, because they have the preventive work to do as well as the Board of Trade work.

21,499. Then they are men who have been doing similar work at larger ports and get these posts on promotion?—Quite so. In many cases it is supposed to be a stepping-stone to a collectorship.

21,500. With a view to this amalgamation, of which we are now talking, do you consider it to be practicable or not, that in some districts where there is not a very great amount of work to employ the time of the principal officer that you have in charge, that he might do some Inland Revenue work with advantage to the public?—I think he might, providing it was only the receipt of money. I doubt if he could undertake any duties which required assessment of Inland Revenue, but as far as receipt of any cash is concerned I think he might do it.

21,501. Your officers might act as the machinery for collection, but not take any responsibility as to assessing?—I do not think they could assess.

21,502. Are you familiar with the Inland Revenue organization?—No, I cannot say I am.

21,503. Do you know, for instance, where they would draw the line at what they call charging officers?—No.

21,504. The comparison has been made in the evidence which has been laid before us between what is the cost of a charging officer in the Inland Revenue, and what it is thought might be an analogous position in the Customs?—What do they call their charging officer, may I ask?

21,505. I suppose it is a responsible officer, one who, as you say, is capable of assessment and capable of doing the responsible duties of Inland Revenue, but I do not know that that is an accurate definition; but for this purpose of amalgamation have you considered at what point you think the duties are pretty well parallel and analogous as between the Customs and Inland Revenue?—I think the only duties which are really analogous are those in the warehouses.

21,506. I wanted rather that you should look at the salaries which are paid. You have said that you think that it is possible that for mere purposes of collection some of the time of one of your officers in a district where his time is not fully employed might be taken up in assisting in the collection of the Inland Revenue?—I should give that as a general opinion. I think it would require local examination in each case, but I see no objection to Customs officers being employed in the manner suggested when it does not interfere with their other duties.

21,507. What would be the salary at present of such a man as we are comtemplating in those places?—I think a man in the receipt of the salary of a second-class examining officer would be equal to that, or a superintendent, which is nearly the same thing.

21,508. That is a man from 110*l.* to 220*l.*—Yes; and the first-class superintendent goes to 240*l.* Both those classes of men would be quite equal to receiving money and accounting for it, to a small extent.

21,509. You do not think they could do anything beyond the mere receiving of money, and you think they would not be capable of doing any special Inland Revenue work as well as assessment?—I do not know enough about Inland Revenue work to give an opinion, but I should rather doubt whether they would.

21,510. As regards warehousing, I presume there need not be any difference between the salaries of one department and the other?—There is a difference I think. I should say the main staff employed in the Customs warehouses consists of out-door officers and second-class examining officers with first-class examining officers to act as checkers. The mean salary of our out-door officer of the second class is 67*l.* 10*s.*, and of an out-door officer of the first class, I think, 92*l.*, whereas the assistants of Excise practically speaking commence at 78*l.*, so that there is a considerable difference there between the scales of the officers in the two services.

21,511. Do you mean that the work that is done by these officers is precisely the same or analogous to that done by your own?—The work in the warehouses must be the same, but comparing the second-class out-door officers in our service with the assistants of Excise, our out-door officers are paid at a lower rate.

21,512. Do you mean when they are engaged upon warehouse work or in all their work?—In all their work. The scale of an out-door officer of the second class in the Customs goes from 55*l.* to 80*l.*, and the mean of that will be 67*l.* 10*s.* The salary and emoluments of assistants of Excise amount to 78*l.* a year.

21,513. In the Estimates, under the sub-head of "Out-door Departments—Excise" I find "Assistants of Excise, 50*l.*"?—Last year I understand a new scale was introduced into the Estimates.

21,514. The maximum salary of Assistants of Excise of the second class is put down in the Estimates as 50*l.*?—If you cast your eye lower down you will find that they get in addition 2*s.* a day whenever they are employed. You must add that to the salaries and divide it by the number of those men, and you will find that will give about 78*l.* to each man actively employed.

21,515. Does the salary in the Customs cover all?—Yes.

21,516. For the purposes of comparison, are you prepared to state whether the salaries paid by the Customs are higher or lower than those paid by the Inland Revenue?—I have a statement here which clearly shows that in the two lower scales of salary, the Inland Revenue salaries are higher.

21,517. It is the case, is it not, that in the Customs you have to employ a good many officers of a lower grade than any that are necessary in the Inland Revenue?—Yes, and at a lower salary.

21,518. At a lower salary and doing lower duties?—Yes; the boatmen are doing lower duties.

21,519. I wanted, if possible, to get from you the point at which, in your opinion, the duties would be pretty well analogous, that is to say, which grade in the Inland Revenue and which corresponding grade in the Customs would require a man of a certain calibre and salary to do the work; can you form an opinion upon that point?—The duties performed by the two grades of officers in the service which are similar are those performed in the warehouses by the out-door officers and the examining officers in the Customs, and the assistants of Excise and the supervisors in the Inland Revenue; the latter go up to 210*l.* or 220*l.*

21,520. Take, for instance, the warehousing system. Could you take some warehouse where an officer of yours was entirely employed upon warehousing duties, and compare him with an officer of Excise in a corresponding warehouse in the Inland Revenue. Are their salaries absolutely identical?—They are not identical; you will find that there is a difference between the salaries of supervisors and the salaries of examining officers, and between the salaries of out-door officers of the second class in the Customs and those of the assistants of Excise.

21,521. I want to get, if possible, at the point of contact between the services?—The Inland Revenue last year changed the titles, and, I think, the scales of salary of some of their subordinate officers of Excise. Above their assistants of Excise they have now officers who go from 115*l.* by 5*l.* to 140*l.*, and they have officers of the first class who go from 155*l.* to 220*l.* These salaries approach the scale for our second-class examining officers.

21,522. Do you consider that this would answer as nearly as possible to your examining officers of the first class and the second?—It would as regards our second class.

21,523. Then your examining officers of the first class are higher paid, are they not?—They are higher paid, and they have higher duties. In the warehouse they are what we call the checking officers. They check the work done by the second-class examining officers.

21,524. Do you happen to know in the Inland Revenue whether these officers of the first class are checking officers or not?—I do not know that.

21,525. Of course I naturally understand that you speak with reserve of what is the work of the Inland Revenue?—I do not know it.

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

26 Nov. 1888.

21,526. But I want to get from one side or the other, where is the point for making a comparison, where the work of the two departments must be so very nearly alike as it is in warehouses, that is, the rank of officers that we are to compare; you see that is a very important question, bearing upon the subject of economical effect or otherwise of an amalgamation?—I think you will find that the bulk of the work is done by the class of officers I have named in the two services. I do not think the Inland Revenue employ any more highly paid officers than I have named for their warehouse work—not for the bulk of it.

21,527. I understand, with reference to the providing of officers and the work at the various ports, that they are all worked upon the same system as that which you described to us with the exception that in some ports which are larger, the collectors are assisted by surveyors, and in other places the collectors act also as surveyors, and at some of the smaller ports you come down in the grade till you get down to the coasting officer?—Yes; I will put in a return showing the number of the ports under each grade of officer (*handing in same*).

21,528. I see this return gives first a list of the larger ports at which collectors have surveyors to assist them, and next a list of ports at which collectors act as surveyors also, and next a list of ports under superintendents, and next a list of ports in charge of the principal coast officers of whom you have already spoken, and then stations, not being ports, at which principal coast officers are placed?—Yes.

21,529. The Return also gives in each case the amount of Customs duties, the amount of Excise duties collected by Customs, and the foreign trade inwards and outwards?—Yes.

21,530. Are there any points at which the Coastguard now discharge any duties for you?—Yes; at several stations from which we have withdrawn our officers they do some work in connexion with light dues.

21,531. That is not properly Customs work. Do they exercise any of the duties that are ordinarily exercised by your own officers—purely Customs duties?—If the Coastguard were not there we should have to put an officer there to do those duties. For instance, those looking after the registration of the fishing boats is Customs work.

21,532. Customs work in a sense?—Under the Board of Trade, but the Act imposes the duty on Customs officers.

21,533. I am now talking of the Customs in its narrowest sense as collecting the revenue of the country. Do the Coastguard do any of that work for you?—The only work they do in that way is raising a charge for the collection of a small quantity of dues upon the coast trade—light dues. That is Board of Trade work really. They also receive and forward the transires of Coasters which are *bonâ fide* Customs documents.

21,534. Do they do any preventive duty?—Yes, they do some preventive duty. We should have to put officers at those places for preventive duty if they did not do it.

21,535. Is all the preventive duty of the country done by the Coastguard?—No; it is done by them at portions of the coast where we have no officers.

21,536. Does the Coastguard do preventive duty in the ports?—No.

21,537. Then in the ports you reign supreme?—We reign supreme with a few exceptions. In the River Thames, for instance, in the lower reaches of the river they do part of the work, and also in the Humber.

21,538. As a general rule, round the coast of the country the Coastguard do all the preventive duty outside the ports or the stations where your men are stationed?—That is the theory of it.

21,539. Besides that, in many places where they are stationed for these preventive duties, they do some of the work which the Customs ordinarily do for the Board of Trade, or some other Government Department, such as the registration of fishing boats, and so forth?—Yes; where we have no officers. (*Mr. Prowse.*) Such as collecting documents relating to the coasting trade, and also taking charge of any casual foreign trade. The Coastguard assist in that.

21,540. What was the year when the Coastguard was put under the Admiralty?—(*Mr. Murray.*) 1856. They, however, I believe, regard their duty more as it affects the defence of the country than that of the Revenue.

21,541. I think you have told us that, besides the staff you have mentioned at these ports, there is in addition a large employment of extra and glut officers, as they are called?—Yes; though it has been reduced very much of late years, there is a large number employed, I dare say as many as a thousand men.

21,542. I understood you to say last time, when we got into these minute details, that you thought those men were more satisfactory than some of the lower established men?—Some of them are very good.

21,543. Would you be in favour, as a rule, of increasing the number of men of that sort who are not upon the establishment, and therefore not entitled to a pension?—No; I think not. I would not employ more than we are doing now, if as many, because, in my opinion, their employment has been and is still open to grave abuse.

21,544. I do not mean with reference to total numbers, but I mean would you prefer having a smaller number of established men for the lower work of boatmen, and so forth?—No, I think not, for the reason I have given.

21,545. (*Lord Lingen.*) You have got such a title as a preference glut man, have not you?—Yes, those are the men who are getting 3*s.* 6*d.* a day instead of 3*s.*

21,546. Are they paid wages irrespective of their employment?—No, if they are not employed each day, they are not paid.

21,547. As a rule, are they pretty generally employed?—Yes; fairly regularly.

21,548. When those men become old and past work, have you encountered any difficulties in disposing of them?—I should say that there were a great many of these extra men in the service who were retained long after they ceased to be efficient, but when the matter was well looked into they were discharged.

21,549. Have they been discharged with any sort of pension or revision?—No.

21,550. Did that cause a great outcry?—No, it was done gradually.

21,551. They completely expected those conditions, and accepted them when the time came?—Yes; they were only supposed to be employed when they were required, but they had been kept on after they ceased to be efficient. I may say that recently we had a case at Cardiff where we discharged some rather suddenly, and they made a protest against it; they asked us to give them more time, and we gave them, practically speaking, a month's notice, but the Treasury disallowed that.

21,552. (*Chairman.*) Could you give us the proportion which you think the Customs work, before the goods get into the warehouse, bears to the rest of the work?—I should say that certainly two-thirds of the work is before they get to the warehouse.

21,553. And all that is purely Customs work that is done outside the warehouse?—Quite so.

21,554. Inside the warehouses, as I understand, there is practically no difference in the work that has to be done between what is done by the Customs and by the Excise?—There is this difference only, that in many respects we take in the warehouses goods direct from the ships which the Excise do not.

21,555. But as to dealing with the goods, for instance, gauging or measuring or some technical work that is done, is that done in the warehouses?—Yes, the re-gauging is done inside the warehouses.

21,556. Is there any difference between the way in which these things are dealt with in the Customs warehouses and in the Excise warehouses?—No, I believe the excise are able to gauge their spirits closer than we are, because they have not got to deal with foreign casks, but still as a rule the proceedings inside the warehouses are very much the same on both sides.

21,557. Do you think the officers so far are interchangeable?—Yes, very much so.

21,558. And at present the regulations under which the warehouses are worked are identical?—They are identical.

21,559. They are worked under one Code?—Under one Code.

21,560. We have been told that there are a great number of alterations in that Code since it was esta-

blished, which consists of nearly 700 articles?—Yes, there have been many alterations made after communications between the two departments. They have both agreed to them. We have now an officer employed bringing out as it were a new edition of the Code.

21,561. Would you say that these alterations have been rendered more necessary by the fact of having two departments to deal with?—No.

21,562. But that they are the natural difficulties in the interpretation of a very complicated Code?—Yes, and corrections of the system and improvements.

21,563. In your judgment, fully two-thirds of the whole work that is done by the Customs is connected with dealing with the goods before they get into the warehouses?—Two-thirds of the work is so, but not the whole cost of the collection.

21,564. I need hardly ask you whether that is not far the most important part of the work?—It is the most difficult and the most responsible part.

21,565. Although 97 per cent. of the actual income is collected ultimately through the warehouses, that does not represent the whole cost of collection?—No, nor the whole labour upon it, nor the responsibility.

21,566. Could you sum up shortly the special work which is required of your officers in the interests of the Revenue, for which special training is required?—I should say that for the waterguard service a man is all the better the longer he is kept at it. Experience is required in that service.

21,567. It requires a knowledge, as we understand very readily, of boating and shipping, and where to expect contraband articles to be found?—Yes; and an officer can only learn that by practice.

21,568. Gauging is another mattor?—Yes, import gauging requires experience too, because the officer has to deal with casks the staves of which may be of different thicknesses, and an actual variation in the staves, of which a Customs officer has to judge by experience, makes a good deal of difference in the measurement of the cask as far as the contents go. Now, the Inland Revenue have no business of that kind. Then there is all the special work in connexion with the landing of the goods.

21,569. Do all those duties put together require any special knowledge and experience?—Undoubtedly.

21,570. In what form do papers relating to those duties come up to be dealt with at head-quarters. Wherein does the necessity chiefly consist of a special board or superintendence at the Customs?—Mr. Prowse has brought here to-day a specimen of a ship's report, which is the commencement of the work (it is a small one), and the different books used by the officers which eventually come to the head-quarters to be checked.

21,571. Take the port of Liverpool in the first instance. The collector at Liverpool deals with a great many points that the collector does not deal with in the port of London?—Yes, very largely.

21,572. Therefore, as you told us last time, a great many papers come to some of the superior officers in London that are dealt with by the collector at Liverpool?—Yes.

21,573. How high do they come in the official hierarchy, so to speak; where are they stopped in the Customs House?—The majority of them are dealt with on the stations or in the Long Room. When anything goes wrong it comes into the secretariat and has to be inquired into and the decision of the Board taken on it.

21,574. Do the same kind of papers at the same stage come to the secretariat, whether they come from the port of London or the port of Liverpool?—Yes, I might say if anything finally goes wrong in the port of Liverpool it will have to be reported to the Board.

21,575. Without going wrong, what kind of questions come up as a matter of daily routine from Liverpool to the Board?—I should say nothing comes up as a matter of daily routine; if everything goes smoothly, the collector can work it by himself. It is when anything goes wrong that it has to come up to head-quarters.

21,576. (*Mr. Cleghorn.*) When difficult points arise?—Yes. In the same way, in the port of London, most of the business will work itself through the Long Room, or through the inspectors and surveyors.

21,577. The Board know nothing about those cases?—They know nothing about them as long as they go smoothly.

21,578. (*Chairman.*) Does the Board deal with some questions of a lower class, arising in London, than it does in cases coming from Liverpool? Does it do some work which in Liverpool is done practically by the collector?—Yes, it does some of the work, but not very much of it. In the administration of the port of London the inspectors have powers delegated to them which would have to be exercised in Liverpool by the collector himself.

21,579. (*Lord Lingen.*) The collector in London gets 1,000*l.* a year, the collector at Liverpool gets 1,200*l.* Is that odd 200*l.* paid mainly in consideration of his being at a distance, and therefore really in a position where he has to discharge a higher responsibility? Is that the notion?—Yes. I may say that five years ago the salary of the collector at Liverpool was 1,800*l.*, and it has been since then reduced to 1,200*l.*

21,580. But the difference, whatever it is, represents the distance at which he is from head-quarters, and thereby his greater responsibility?—Quite so.

21,581. (*Mr. Cleghorn.*) I take it that the term collector in Liverpool means a gentleman with different duties from the collector in London?—Quite so; the collector at Liverpool is the head of the whole port, out-door and in-door, whereas the collector in London has little to do with the out-door work except so far as some of the worst is ultimately audited in one branch of his office, viz., the jerquers.

21,582. So that the name of collector is the same in both cases, but the duties of the two are very different?—(*Mr. Prowse.*) The collector in London makes no payments. He only collects.

21,583. He is merely the hand for receiving the duties?—Quite so.

21,584. But the collector at Liverpool?—He receives duties.

21,585. And he is the head of the whole establishment, both in-door and out-door?—Yes; payments in London are made by the Accountant-General.

21,586. How are the payments made in Liverpool?—The collector in Liverpool makes his own payments for salaries, and that adds to the importance of his office. It is a considerable business.

21,587. Does he pay those salaries out of the cash collected in Liverpool?—Yes, he keeps back remittances for the last two or three days, if necessary, in order to have money.

21,588. (*Lord Lingen.*) Might we say that that difference of duties arises from the fact that the collector at London has got the Board and the Central Establishment at his elbow, and that the collector at Liverpool has got to do all these things for himself? Is that it?—That exactly marks the position.

21,589. (*Chairman.*) I think we have come to the point now when we may ask you what your views are, from the experience you have had at the Board, of the suggested amalgamation or consolidation of the Board?—(*Mr. Murray.*) When I first joined the Department I was in favour of amalgamation, but I have since seen reasons to change my opinion. My main objections to amalgamation are three: first, that it would make too large a business for one Board well to manage; secondly, it would be imposing fresh duties on the officers, which would impair their efficiency; and thirdly, I think, while the area of saving is in a certain degree limited, the area for increased expense is large.

21,590. When you say the area of increased expense is large, you mean that in all probability some of those results which have very often attended amalgamations would ensue, namely, a levelling up of salaries?—Just so. The number of officers upon different scales whose salaries would have to be equalised more or less is very large indeed; it amounts to about 86 per cent. of the officers employed in each Department.

21,591. Whether amalgamation be followed or not, is it your opinion—I think you gave us your opinion upon this before, but I am not quite certain—that the work might be done by a Chairman and Vice-Chairman, or by a Comptroller and Deputy-Comptroller?—I think that if the staff is properly organised, the proposed directing authority would be better than a Board. At a Board two or three of the best hours of the day are sometimes lost by three men and a secretary sitting as a Board for the transaction of business for which two at the most are often sufficient. But the directing power should not be less than three, if pro-

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

26 Nov. 1888.

vision is to be made for ordinary leave and absence on inspection duty; this inspection duty is important, and of late the Board has not been able sufficiently to attend to it. As a rule, there should never be less than two directing officials in attendance at the office.

21,592. The point of your views against amalgamation is that the various duties which are now done by Customs officers are quite sufficient to take the men of ordinary average ability all their time to learn?—Quite.

21,593. It would not be desirable to put fresh work upon them?—I think not.

21,594. In fact the Customs work must remain a separate branch of the collection of the Revenue?—I think it must.

21,595. Whether managed by one Board or not?—Yes.

21,596. (*Lord Lingen.*) Would you put this as a typical case that the duties of a superviser of excise who has to superintend manufactures in various stages, spirits and beer for instance, are totally and wholly different from those of any waterside officer?—I should say you quoted a very good case. I should be very sorry that our man should have to learn all the duties in connexion with the duty upon beer in addition to what he has now to learn.

21,597. There is nothing in common between the two?—Nothing.

21,598. (*Chairman.*) Have you considered where the duties could be amalgamated. Is there any particular station that you have in view where you could see your way, if you had a free hand, to get the united Customs and Inland Revenue work done by the same officer?—I think if there was a local inquiry made, savings ought to be made at many of those places where there are two collections at present. For instance, in the Custom House in London at this present moment there is a collector of Inland Revenue for one of the districts of their London collection. There would be no difficulty whatever, if there were no assessment to be done, in the money being received by the Customs clerk in the Long Room. The same is the case in Dublin, where two collectors are sitting in the same building.

21,599. (*Lord Lingen.*) Have you an Inland Revenue collector in Thames Street?—Yes, he was moved into the Custom House about a year ago.

21,600. Is he there now?—Yes, he is and his staff.

21,601. (*Mr. Cleghorn.*) Does he take Inland Revenue money at the Custom House?—He takes Inland Revenue money at the Custom House. He was located at Tower Hill. About a year ago we found room for him in the Custom House. So inside the same building there are two collections going on, and, in my opinion, there is no sufficient reason for that.

21,602. What is his staff?—There is a collector and a surveyor, and I think we provided for a staff of 15 altogether.

21,603. Do you mean that you have 17 Inland Revenue officers in your building?—It is a year ago now, and I will not be sure about the numbers, but I think it was something like 15.

21,604. (*Lord Lingen.*) Then a certain amount of the local collection for the Inland Revenue is paid to their officer in Thames Street?—Quite so.

21,605. Just the same as another portion of it might be paid to the corresponding Department in Somerset House?—Yes, or to the Post Office.

21,606. It is a mere extension of Somerset House into Thames Street?—That is all. Then, again, in the Custom House at Dublin, as I have already said, we have two collectors sitting in the same building, an Inland Revenue collector and a Customs collector. I think there again, if some local arrangement were made, after local inquiry, some saving might be made.

21,607. (*Chairman.*) But that could be done without amalgamation?—Yes.

21,608. And it does not involve amalgamation?—No; you would want an inquiry on the spot. They could do the work for us, or we could do the work for them in the same way as we do other duties for the Board of Trade. At ports where their officers must be stationed they could take the Customs collection, perhaps, and if Customs officers must be in another place, they could take the Excise collection.

21,609. Has the Inland Revenue collector who is stationed in your office in Thames Street nothing to do but collect; has he no assessment duties to perform?—I do not know.

21,610. If he had assessment duties to perform, and it was a convenient place to put him, that would be a reason, would it not, for not making him a Customs officer?—I expressed the opinion some time ago that our officers could only take the receipt of money; they could not be responsible for the assessment.

21,611. As a matter of fact, does the collector of the Inland Revenue at Thames Street have any assessment work in connexion with the Excise to do?—That question I cannot answer. I do not know enough of his duties.

21,612, (*Lord Lingen.*) Therefore the duties connected with assessment would at present be duties quite foreign to your officers, would they not?—Quite; and that is why I said they could not be responsible for assessments.

21,613. (*Chairman.*) That leads me to the point that has been raised about the geographical position of the Board. Suggestions have been thrown out from time to time that it might be possible to dispose of the valuable site of the Custom House, and that the Customs work of the port of London might be done at Tower Hill or somewhere else. What have you to say about that?—As long as the locality is somewhere near where it now is, I do not think it will signify whether it is done at Tower Hill or at the present Custom House; but the head office for the port of London should be very close to where it is now, because the merchants, who are daily in communication with the Customs, have their places of business all located near the Custom House with a view to these daily communications.

21,614. Supposing there was an establishment to deal with all these merchants in connexion with their Customs business, say in a convenient place near Tower Hill; what do you say to the necessity of having the Board and the secretariat immediately in contact with those officers; would it be any serious objection if they were at Somerset House?—My experience is that one constantly wants to see the inspectors and the heads of the departments in London. The inspectors must be in their districts, but of course you could send for them to Somerset House, although it would be a longer way for them to go.

21,615. The Board is not in the same contact with the officers at Liverpool necessarily?—No, I was speaking with reference to the management of the port of London. If you move the Board to Somerset House, the first thing you would have to do would be to put a more important officer in the position of collector, as he would then have to undertake all the detail of the port, which now falls into the hands of the Board. He would then have to be in a position something similar to that of the collector at Liverpool, but in one still more responsible.

21,616. (*Lord Lingen.*) In the course of the day's work does the collector come personally much in contact with yourself and the other members of the Board?—Yes.

21,617. Constantly?—I should think I see him two or three times a week.

21,618. (*Mr. Cleghorn.*) Not two or three times a day?—No, it may be that I should want to see him twice in one day, but I should think the average would be two or three times a week. (*Mr. Prowse.*) The port of London officers are very much made use of on points of practice. London is supposed to gather up the best forms of practice, and it is convenient to have the collector of the port of London, or the inspectors of the port of London, or the officers in the port of London, as references on points of practice raised at other ports, and much use is therefore made of them in those connexions. (*Mr. Murray.*) We have constantly to send for the surveyors and the inspectors on general points. (*Mr. Prowse.*) And not purely on London business. (*Mr. Murray.*) For instance, if anything goes wrong anywhere along the coast, if there is any clear case of smuggling, or anything of that kind going on, I always like to consult with Mr. Hincks, the head of the waterguard in London, before steps are taken, because he is a very experienced officer.

21,619. (*Mr. Cleghorn.*) It would be, in your view, a great inconvenience, to say the least, were that sort of business not done at the river side?—I think so; of course it could be done at Somerset House, but I think it would be found to be inconvenient both to the merchants and to the service.

21,620. Cases of doubt or differences or any point that arises as to the charging, where you require to go to the supreme authority, are they dealt with immediately, or do they stand over till the next day and go before the Board?—They go direct to the committee which deals with the subject in question.

21,621. The same day?—The same day, and they are dealt with at the committee if they can be, if not, they are reserved for the Board the next day.

21,622. In those cases it would not matter very much where the Board sat then?—Not in a case of that kind: not in cases of what you may call appeal.

21,623. They could be dealt with quite as well at Somerset House or in Westminster or anywhere else?—Yes.

21,624. (*Chairman.*) What are the points on which your Board principally comes now in contact with the Inland Revenue Board, the principal points say upon which you have correspondence?—I have a statement here of the correspondence between the 1st October 1887, and the 30th September 1888. On warehousing questions there were 22 letters; as to the Code and alterations in it, 13.

21,625. (*Mr. Cleghorn.*) Do those figures represent letters from both sides?—No, these figures represent our letters to them.

21,626. Not theirs to you?—Not their replies. (*Mr. Prowse.*) It would give a kind of average, because the letter and the reply go to make up one letter. (*Mr. Murray.*) You may double these figures. On British spirits there were 11 letters, and on miscellaneous questions 35. Then we come down to a number of small things, analysis of samples 4, removal of goods 12, importations of maltine and beer 24.

21,627. What is the total?—179.

21,628. In a year?—Yes.

21,629. (*Chairman.*) Those, I understand, are communications of all sorts passed from you to the Inland Revenue Board, with reference to matters of business in which it is necessary to consult them?—Yes, some of these were very formal, such as monthly returns of warehouses.

21,630. Those would not be letters, would they?—I include them all as letters.

21,631. (*Mr. Cleghorn.*) It would be an average of about three a week apparently?—Yes, something like three a week. (*Mr. Prowse.*) Many of these are merely forms, not correspondence in the widest sense.

21,632. Do you mean printed forms filled up?—Such printed or lithographed forms as the transmission of samples, and matters of that sort.

21,633. Quite routine matters?—Many of them are. (*Mr. Murray.*) For instance, there are four applications for tobacco labels.

21,634. Do they not originate any letters to you?—Yes, they probably might send the same number to us.

21,635. You have not got an account of those?—No; I could have one made out.

21,636. That would double the communications?—(*Mr. Prowse.*) Every one of these would not require an answer, some of them of a periodical return, or something of that kind.

21,637. (*Chairman.*) The warehousing system is, of course, the principal point in which you come in contact with the Excise?—(*Mr. Murray.*) Yes.

21,638. And as we know, and as these papers show, there has been a gradual tendency to diminish the number of warehouses, or, at all events, to simplify the management, to bring as far as possible each port under one board?—Yes, we have gone a considerable way in that.

21,639. And correspondence has recently taken place, I think, between the Treasury with reference to the warehouses in London, Dublin, and Cork?—Yes.

21,640. I think in 1883, was it not, there was a stop put upon any further transfer of warehouses from your Department to the Inland Revenue?—In 1883 or 1884, I forget which, in 1884 I think it was.

21,641. At that date with reference to nine ports, I observe in the correspondence I have just mentioned, you state that the Inland Revenue had estimated the cost of managing those warehouses at 6,650*l.*, and that the Customs had subsequently reduced the cost of the administration of those houses to 5,771*l.* a year?—Yes; and I think it has come down lower since, and that reductions have been made at those ports since then.

21,642. One is bound rather to ask for an explanation how such a very large reduction is possible, from 9,200*l.*, the original amount, to 5,771*l.*?—I am afraid the ports were not in all cases properly looked after till inquiries were started at that date.

21,643. Inquiries were going on into all the warehouses all round the coast, I believe?—Yes.

21,644. (*Mr. Cleghorn.*) Do you mean there was a larger staff than necessary?—Yes. There have been very large reductions made in the department, and I am bound to say I think the reductions might have been made sooner.

21,645. Both in numbers of men and rate of pay?—Yes.

21,646. (*Chairman.*) Have all your own warehouses, and, as far as you know, all the other warehouses at all the ports around the coast, been thoroughly looked into now, and do you believe there are any means of effecting further reductions in the management of those warehouses?—I do not say there cannot be further reductions made. Inquiries are constantly being made into those questions when the Surveyors-General go round, and also sometimes when the members of the Board are able to go round.

21,647. You have just stated that you are bound to admit that it might have been possible to look into the question of reductions earlier than the date we have just been referring to?—Yes.

21,648. Do you think that statement would be true now?—I think the ground for retrenchment is small now, but still there may be ground.

21,649. It is not alleged by anybody that the Customs warehouses are more expensive than those of the Inland Revenue, but in your opinion is there room for reduction at the present moment so far as regards the management of those warehouses?—I should doubt whether there is much room.

21,650. What is your view as to the best system of managing the bonded warehouses of the country, I do not mean merely as between you and the Inland Revenue, but generally speaking, do you see any disadvantage in maintaining them as they are now?—No. I see no great disadvantage in things remaining as they are. But if I had my own way I would put all the warehouses at the ports under the Customs and let the Inland Revenue retire from those ports.

21,651. And would you put all the inland bonded warehouses under the Inland Revenue?—Certainly, when not situated in ports.

21,652. There are nine ports, are there not, in the United Kingdom where there is the duplicate system of warehouses?—I could not say how many ports. I should doubt whether there are so many as that. (*Mr. Prowse.*) There are only five or six, as far as I can remember, at which there are duplicate warehouses—London, Dublin, Cork, Belfast, Glasgow are the most prominent, and I think the most important ones.

21,653. I believe it is a limited number only of ports at which both departments have warehouses?—(*Mr. Murray.*) I do not recollect the exact number at the moment.

21,654. Do you think there is any inconvenience caused to the trade by having duplicate warehouses?—I should doubt it. I think that as far as economy went we could work it cheaper, supposing all those at the ports were under the Customs.

21,655. (*Lord Lingen.*) Have you got room for the amalgamated business?—I think so.

21,656. (*Mr. Cleghorn.*) Would you require any increased staff?—Yes, we should have to increase our staff. (*Mr. Prowse.*) Not in every case, but generally. Some warehouses could come over—if they are near to our warehouses they certainly would come over, subject to an overlapping of officers. It is impossible to arrange the officers so that their time is always, and under all circumstances fully occupied.

21,657. (*Chairman.*) Are there any ports round the coast of the United Kingdom where the Inland Revenue have bonded warehouses, and where the Customs have none?—(*Mr. Murray.*) Yes, they took over all the warehouses at a good many of our ports in 1882 and 1883.

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

26 Nov. 1888.

21,658. That has given rise to no inconvenience, I understand?—No.

21,659. (*Lord Lingen.*) In those ports the goods from abroad would go as a matter of course into the Inland Revenue warehouse, would they not?—They were ports at which there was no direct foreign trade. (*Mr. Prowse.*) That is ports at which there is no regular importation of dutiable goods.

21,660. Do you mean that from year's end to year's end there is no stray keg of spirits coming in to those ports?—(*Mr. Murray.*) Not as a rule. (*Mr. Prowse.*) It has occurred once or twice.

21,661. If it did it would go into the Inland Revenue warehouse?—(*Mr. Murray.*) Into the Inland Revenue warehouse, but it would be landed by a Customs officer who would attend for the duty.

21,662. It would go as a matter of fact into the Inland Revenue charge?—Yes; if so desired by the inspector.

21,663. And it would be got out again from Inland Revenue officers, who would account to you for the duty?—Yes; the guiding principle was that they should be given over the warehouses at ports where there were no direct importations of dutiable goods.

21,664. (*Chairman.*) In your opinion the best system would be that at all the ports the warehouses should be yours?—That is my opinion.

21,665. But you would not go back from the present state of things?—No; but if we were to begin *de novo* I should do that.

21,666. At present you do not see the desirability of any changes one way or the other?—No, I should leave things as they are; but that is a change I should make if a change was to be made.

21,667. (*Mr. Cleghorn.*) As I take it you have a preference for continuing to have two sets of warehouses?—Yes.

21,668. (*Chairman.*) As regards the duplicate establishments, the gist of the recent correspondence between yourself, the Inland Revenue, and the Treasury, has been, has it not, that you have been suggesting, where their duplicate establishments exist, at the Tower, at Dublin, and at Cork, for instance, they should come under your management, as being more convenient and economical?—We suggested that we should continue to carry out what was recommended in 1882, that the seaboard warehouses should be under the Customs at the larger ports, and that those at a distance from the landing places should be under the Inland Revenue.

21,669. Has any conclusion as yet been arrived at on that point?—No.

21,670. Are you aware of any inconveniences that are caused to the traders who have to deal with two departments from the fact of there being two departments?—All I can say is, we never have any complaints on that point. We have no complaints addressed to us.

21,671. In the matter of export of beer, and things of that kind, for drawback, is there any trouble caused in consequence of there being two departments?—The export of beer of course is managed by us. The merchant sends a notice to the Inland Revenue, and that notice is passed on to our officers, and then our officers take the samples and send them up to the Inland Revenue to test them. Then our officers see to the beer being actually put on board the ship.

21,672. (*Lord Lingen.*) Is it put direct on board the ship from the Inland Revenue warehouse, or does it go through one of your warehouses?—It may go from any warehouse.

21,673. It may go direct from the Inland Revenue warehouse to the ship?—It can do so.

21,674. Does it?—As a rule, I believe, it always does so. I do not think we warehouse beer at all.

21,675. Therefore, for purposes of exportation, the Inland Revenue warehouse is the same as your warehouse, with the single exception that your officers go and see what it is that is going to be exported?—Yes, they first take samples to send to the Inland Revenue for taking the strength, and then they also take samples to satisfy themselves that it is beer and not water which is being exported— for this purpose they test a barrel or two.

21,676. But the shipper is not obliged to come into contact with both your departments if he wants to export beer from an Inland Revenue warehouse?—To this extent he does. He first sends his notice to the Inland Revenue, and then he comes to the Long Room to get what is called a pricking note to send down to our export officer as his authority to ship the beer.

21,677. Must he send some actual person to do that?—Yes, he must send somebody to do that.

21,678. Could not they send you a notice from the Inland Revenue just as well as requiring him to come down to Thames Street?—They say it is necessary for him to come there, because very often they find they cannot ship the beer in the ship they meant to do—it is shut out, and it has to go by another ship. It is the details of trade which I believe come in here. (*Mr. Prowse.*) He also has to put in the export documents giving the quantities and values for statistical purposes.

21,679. For the purpose of exportation it would be more simple for the exporter to have his goods in your warehouse than to have them in an Inland Revenue warehouse?—It would if it were a question of warehousing; but this comes from breweries.

21,680. The steps would be fewer?—The steps might possibly be fewer, though I do not see how. (*Mr. Murray.*) Anyhow if there was an amalgamation all those steps must still be taken by the exporter.

21,681. (*Chairman.*) He would not be in any better position, as I understand you to say, from the mere fact of having to deal with one board?—Not a bit. Every step he takes now he must take then.

21,682. (*Lord Lingen.*) If it was in your own warehouse, would he still have to come in person to the central establishment in Thames Street?—Yes, he has to do that, I believe, as much as anything, in order to make certain of the ship that he is going to send the beer away in.

21,683. (*Chairman.*) That is only in case of a man dealing with the beer in London?—London, and Liverpool, and Glasgow, are the three largest ports from which beer is exported; I should think three-quarters of it is exported from these ports.

21,684. (*Lord Lingen.*) Do you say it would be impossible for the Inland Revenue to take all those steps for him, so that they would send him a note saying, "Your beer is ready for removal." I cannot quite see, if all that has to be done is that your officers should go and see what it is in the Inland Revenue warehouse, and take whatever notes are necessary about it there, why after that the man has got to come in his own person down to Thames Street?—He has to arrange about the ship he is going to export the beer on.

21,685. Supposing he says in his notice to the Inland Revenue, "I want to export this by the ship 'Speed-"well' that is lying in the East India Docks," why do you want him after he has given that information?—There must be an authority for our officer there to allow these drawback goods to be put on board.

21,686. But why cannot the Inland Revenue, after communicating with you, communicate that authority?—They do not know where the ship is lying, but our officers do.

21,687. The man who would take this out of the warehouse, his carter knows where the ship lies?—I should doubt it.

21,688. (*Mr. Cleghorn.*) Is not it the practice that the shipper arranges for the ship beforehand?—They do, but goods are frequently shut out for all that, and have to be sent by another ship.

21,689. I should think if a brewer has a quantity of beer to export, as he knows where it is going to, he arranges with a vessel to take it at a certain amount of freight. That will be one of his first stages, before he comes to the Custom House at all?—Then he must get an authority from our Long Room to put that beer on board.

21,690. As I understood it, the gist of Lord Lingen's inquiry was: Cannot that be done through the Inland Revenue Office without the interposition of the Customs?—Do you mean the Inland Revenue are to send our officer an authority to allow the beer to be put on board? (*Mr. Prowse.*) It is a combined operation. The merchant is exporting goods, and he is claiming drawback. As an exporter, he must appear at the Custom House to pass his export documents giving his quantities and values for statistical purposes. Beer for drawback is a British export; that must be accounted for by

the export specification, or by the shipping bill. *Quoad* that, it is properly a Customs transaction; *quoad* the drawback, it is an Excise transaction. The brewer would send beer, not from the bonded warehouse, but from his brewery, which would be under Excise supervision. He would send it to the station from which he was going to ship it. He would also give notice that he intended to claim drawback, and would notify the intended exportation to the Custom House officer, the searcher we call him on the quay, who sees to the beer being exported. It is a somewhat complicated arrangement, and must necessarily be so. As to the exporter, he must in any case appear all these times; he must take all these steps; he must claim his drawback, whether he claims it from the Excise or from a combined Board, or from the Customs exclusively; he must claim it from somebody. He must also comply with the law as to the requirements in reference to exportation. That is the position, I think.

21,691. Do you think that if there was one set of officers only to deal with that there would be nothing saved?—Absolutely nothing saved to him. The stages to him would be precisely as they are now as long as the law remains as it is now with regard to exportations.

21,692. (*Chairman.*) In the first instance, naturally it occurs to anybody who is not acquainted with the business, that when a man is exporting beer, or whatever he is doing, when he is transacting any business in which he has to deal with the Customs and Excise, that it would be simpler to go to one department that did the whole thing?—(*Mr. Murray.*) Yes.

21,693. Would the explanation which you have given us with reference to exporting of beer apply, to some extent, to the export of British spirits?—Yes; only there is more care taken to see that every cask of British spirits goes on board.

21,694. I mean with reference to the transactions between the two departments to which we have been referring, they are substantially the same as far as circumstances will allow?—Yes.

21,695. Now to come to the number of men that you employ. What is the total of the men that are employed upon waterguard? Do I give the number rightly at about 1,400 for the whole service?—Yes.

21,696. Then what is the staff for landing and export duties?—1,250.

21,697. Do the duties which you set out on page 2 of your first memorandum specifically state what these duties are; will you give, shortly, a list of what the waterguard duties are. May I take it that the waterguard duties upon which 1,400 men are employed may be said to be quarantine, sealing of stores, boarding of vessels, rummaging, and re-rummaging of ships, and general watching against smuggling?—Yes, I think that is a fair *resumé* of the waterguard duties.

21,698. Then do I correctly describe the duties of the landing and export staff for which you have 1,250 men as being the charge of a ship on arrival at the docks; then the report, then the reception of entries for goods for immediate delivery or for warehousing, and an examination of passengers' baggage, or other things which might be dutiable?—(*Mr. Prowse.*) The taking of entries is a little mixed up with the Long Room functions. Entries are in the main, clerical operations; the officer's duty is acting upon the entry, allowing the entry to be acted upon, checking the goods out of the ship.

21,699. Those are the duties and that the total men employed, viz., 1,400 waterguard, and 1,250 on landing, making the total to 2,650 or thereabouts of established officers and extra men employed; if amalgamation was introduced the work of those men would be in no way touched, as I understand?—(*Mr. Murray.*) In no way at all.

21,700. Their services are altogether outside of what there is a possibility of expecting from the Inland Revenue men?—They would not be touched by amalgamation at all. Their duties could not be performed by Inland Revenue officers.

21,701. Now the warehousing branch. Do I rightly put the figures as employed in your warehouses at 1,200?—Yes.

21,702. That is confessedly common ground between the departments?—Yes.

21,703. What are the principal questions which arise, and which have to come for settlement before the Board as affecting the warehousing system?—The warehousing system under the Code works itself very fairly without any great strain. But the questions which come before the Board are chiefly in connexion with the grant and withdrawal of privileges for warehouses, the deficiencies in goods when they are delivered; and with unauthorised removals.

21,704. All these grants are common with the two systems of warehousing, are they not?—Yes.

21,705. Do you see any reason why those warehouses should not be managed by a joint committee; that is to say, why all those questions which are referred now, I presume, to the Board of Inland Revenue, and which you have just mentioned as coming to your Board, should not be referred for decision to a joint committee, whatever might ultimately be decided to be the higher controlling authorities, one side or the other, of the Revenue?—That idea would be workable, I think.

21,706. I have understood you to express an opinion that you think that, in lieu of a board, the Customs might be managed fully as well, or might be managed better, by a controller and a deputy controller, or a chairman and deputy chairman?—I think that a third directing officer would be required.

21,707. Supposing the same thing were true for the Inland Revenue, do you think if they were separately responsible for their own special duties that the warehousing could be managed and all inconveniences and differences of treatment got rid of by the united authorities meeting, in some form or other, as a warehousing committee to settle the question in some way?—I think it might work; but I think in many cases it would be found that decisions would have to be arrived at without the meetings of this committee.

21,708. Supposing the committee met twice a week, I am only asking you to see whether it is practicable?—It is a new idea to me; but I do not think it is impracticable at all. We would then have every important question in both departments referred to a joint committee, and have the decisions in both departments therefore similar.

21,709. That would be the decisions of the joint authorities?—Yes; I think that is workable. (*Mr. Prowse.*) It would be particularly useful in the matter of new privileges to warehouses. (*Mr. Murray.*) It would also save correspondence, I think.

21,710. That perhaps incidentally raises the question, how is that privilege of a new bonded warehouse granted, is the ultimate authority the Treasury?—If there is any appeal. The process is this: People wishing for warehouse privileges apply to us first, and we send down to the port to know whether the bonding accommodation is sufficient for the trade of the town, and if the collector reports that it is so, our orders from the Treasury are that no new bonded privileges are to be given. If, on the other hand, he reports that the trade of the town requires additional warehousing accommodation, if the application was to the Customs, we should apply to the Inland Revenue if they had warehouses in the same town, and inquire whether they saw any objection, and if they did not object we should then grant it.

21,711. (*Lord Lingen.*) Of late years, I suppose, hardly any new bonded warehouses have been called into existence, have they?—We have taken the privilege away from a great many, and in some cases we have granted new ones. We are putting an end as much as we can to the small warehouses and the badly-drained warehouses, but we are granting fresh privileges in the cases of large buildings; we do it in communication with the Inland Revenue.

21,712. (*Mr. Cleghorn.*) Have both departments power to put locks on such warehouses?—Not common locks. We do not put Customs' locks on Inland Revenue warehouses, nor do the Inland Revenue officers put their locks upon ours. Upon all our Customs' warehouses there are Customs' locks.

21,713. Exclusively?—With the traders' locks of course.

21,714. As regards the Government, one department only puts its locks on a warehouse?—That is all.

21,715. So that an Excise officer has no access to a bonded warehouse under the Customs, or *vice versâ*?—That is so.

21,716. (*Chairman.*) I imagine that in interpreting the Code differences of opinion have arisen between yourselves and the Inland Revenue?—Very rarely.

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

26 Nov. 1888.

21,717. If they have arisen, how have they been settled, by reference to the Treasury?—Yes; but as far as I can make out there have been two such cases only.

21,718. That is since the regulations were made uniform?—Yes.

21,719. I do not want you to dwell much upon that point, because I understand you to be of opinion that it is both desirable, and you think practicable some way or other, to join without amalgamation (of which you are not in favour), the authorities at the head of both the Revenue departments, for the purpose of administering the warehouses?—That is, as I have said, a new idea to me.

21,720. Would it be a good thing?—I think it would, but as it is a new proposal I am only expressing an opinion on short notice. It would have the distinct advantage to which Mr. Prowse referred as to the question of the granting of new privileges, and I think it very likely would lead to a more satisfactory working of the system of deficiencies in the stock.

21,721. Is there any dissimilarity in the way in which the two departments work in regard to deficiencies?—No, the practice in both departments is nominally the same with respect to the deficiencies which the surveyors can allow; but then there is an appeal to the Boards where the surveyors cannot take action, and of course the decisions of the two Boards may vary in their leniency or otherwise to the trader. Therefore it would be distinctly advantageous, I think, if all such cases of deficiencies were dealt with by a common committee.

21,722. (*Mr. Cleghorn.*) Do you mean where a trader puts in a claim for deficiency in stock?—Not only deficiency in stock but deficiency in a particular casks. If there is a larger deficiency in a cask than the regulations allow, the trader must either pay or appeal. All these questions could be settled by the common committee to which the Chairman has referred, and I think that would be a distinct advantage. (*Mr. Prowse.*) It is for the remission of duty on excess deficiencies, the Code only allowing a certain deficiency within the discretion of the officer.

21,723. (*Chairman.*) I have asked you already with reference to the expense of the warehousing system, and you have said that there might be some economies introduced here and there, but that you are not aware of there being any such necessity for any large reduction, as was the case not very many years ago when there was that reduction made with reference to those nine ports?—I do not think there is room for much reduction now, and I think, if you will allow me to put in some figures here, they will show you that there cannot be much. The amount of duty collected by the Customs Department on goods in warehouses was in the year ending 31st March 1887, 21,370,948*l.*, the estimated cost of the collection of that duty was 168,995*l.*, that is the salaries paid to the officers. That is at the rate of 15*s.* 9*d.* per cent. taking into calculation the salaries of the officers alone who were dealing with those goods. In the following year there was 21,020,270*l.* collected, and the per-centage was 16*s.* 1*d.*; if the cost of the men who actually received the money is also added, the per-centage cost was 17*s.* 8*d.* and 18*s.* respectively. I do not think, therefore, there is much room for reduction. But in one way economy may still be effected: in my opinion the class of officer who is now employed on clerical work in the warehouses is not the one best fitted for it. We are employing second-class examining officers, that is out-door officers, to do work which is really clerical work, and they are not so nimble with their fingers in working with their pens as clerks are. If we employed clerks on this purely clerical duty, and to a certain extent boy clerks on some portion of it, we should make a further reduction. (*Mr. Prowse.*) That is on the warehousing accounts.

21,724. I want to put this to you as a general question, whether you have any reason to believe, with reference to ports other than the nine ports of which we have been speaking, any reduction is possible under any system, on such a scale as was evidently possible by the admitted figures in the case of those nine ports?—No, they have been looked into too closely since then. I may say Mr. Prowse has himself had a very large share in effecting these reductions; he has been to all those ports and looked very closely into their establishments.

21,725. Is it fair to ask you whether you have an opinion upon the economical management of your own warehouses as compared with those of the Inland Revenue?—I will not express an opinion in favour of our own. I believe our own management is economical, but I will not make a comparison between the two. (*Mr. Prowse.*) It should be explained that our reductions since 1882 and 1883 have been not on warehousing business exclusively, but generally on Customs business as administered at those ports, and in some ways, for instance, we have simplified the work.

21,726. Was there not a different system of accounts adopted in 1882?—(*Mr. Murray.*) Yes; a common system of account was adopted. There were certain books to be kept by both departments. There were to be ledgers in every warehouse. They were found to be useful in the Inland Revenue system, and it was thought they would be advantageous for our system too. Practically speaking we do not find the ledgers are of any use. We do not require them, because the stock accounts in the different warehouse are really kept in the Statistical Department at the Custom House, so there is no advantage in our keeping the ledgers at all, and we have only kept them up the last few years with a view to the question which is now being discussed. We were directed to keep these books, and we did not like to give them up if there was any possibility of the two departments being amalgamated, because if the amalgamation took place we thought that it would be better that the system of accounting in both should be exactly the same at the time of the amalgamation; but the ledgers are of no use to us.

21,727. From your point of view they are of no use to you?—No; and when this question of amalgamation is once settled we shall certainly, if we are left alone, give them up and reduce the expenditure.

21,728. (*Mr. Cleghorn.*) Have you a staff employed in keeping those superfluous books?—Yes, and they will be saved. We shall reduce the per-centage that I read out to you just now still further.

21,729. (*Chairman.*) Have you any estimate of the cost of the Inland Revenue warehouses that have been taken over from the Inland Revenue?—I have got no actual evidence.

21,730. Some arguments have been at some time adduced that the competition or rivalry between the two departments in dealing with traders sometimes leads to a little better accommodation of the trade at the expense of the Revenue?—I should doubt that.

21,731. You do not think that with a view of attracting traders, the officers of your Department, or the officers of the Inland Revenue Department, so far as you have been able to observe, have an inclination to deal more generously with particular individuals in order to get the trade?—I think not.

21,732. Do you know that the argument has been used?—I have heard of it, but I do not put any faith in it.

21,733. A general statement has sometimes been made that in both departments (I am not alluding entirely to yours) there are men who being necessarily employed at particular stations might use some of their time in doing the work of the other department. An instance has been given to us of a man at Victoria Station, London, who has to await the arrival of Continental trains. It is said that such a man as that might very fairly be doing something else between the arrival of the trains in the way of Inland Revenue work?—I do not think the argument would apply in the particular case you mention of the baggage officers, but it might at stations along the coast.

21,734. As long as there are no assessment or other responsible duties which require special knowledge of Inland Revenue business, you do not see any reason why they should not be employed in doing the work?—I see no reason. Our officers have now to travel a great deal about in connexion with wrecks, and I think it may very often happen that an Inland Revenue officer stationed close by might do some of the work in connexion with a wreck; it is merely taking charge of it and perhaps selling it.

21,735. And to some extent do you think it would be desirable to make the duties interchangeable where possible?—I think both the departments might help each other in that way with their local officers in the same way as we help the Board of Trade. (*Mr. Prowse.*) The Post Office help the Inland Revenue already in the matter of many licenses. (*Mr. Murray.*) They collect 900,000*l.* a year for the Inland Revenue.

21,736. Then the question of amalgamation, as I understand it, is really one of degree more than anything else; it is not a question of principle?—I have always said that I think amalgamation is perfectly possible; it is only a question of advisability. No doubt you can amalgamate both Boards, and you can work the system; the only question is which system is the best to work, the one we have now got, or the one which would then exist.

21,737. (*Mr. Cleghorn.*) I rather think the Chairman gathered from a previous answer that you were in favour of fusion, at all events to a certain extent, of the duties of the officers of the two departments?—I am not in favour of a fusion of the directing powers, but I am in favour of each department helping the other where its officers can do common work.

21,738. That is a fusion to a certain extent?—Yes.

21,739. (*Chairman.*) Then possibly short of amalgamation you might think that there might be a joint committee for those purposes, that is to say, that the authorities—to use a general expression—of each of the Revenue departments, supposing they remain separate, should meet together for other purposes than merely the warehouses?—No, I do not think that. The only way you can settle the kind of question we are now speaking of, as to whether an officer of one department could do any and what work for the other department, would be by local inquiry; somebody must go round to inquire and settle it; it would then have to be sanctioned at head quarters by some experienced person, representing both departments, who would have to go round the coast and settle in what spots that could be done; their recommendation could then be sanctioned at the respective head quarters.

21,740. Do you find any difficulty at present in doing the work that you do for the Inland Revenue or in the Inland Revenue doing the work which they do for you?—No.

21,741. No hitch at all?—No; it is at present limited to the collection of revenue in our warehouses for them, and collection of the revenue in their warehouses for us.

21,742. (*Lord Lingen.*) To what was the interruption of that process of reducing the number of bonded warehouses throughout the kingdom due?—I think it was mainly due to the result arrived at in dealing with what were called the test ports. It was settled with the sanction of the Treasury that the two chairmen should select certain ports out of 61 ports at which the inquiry should first be made. The inquiry was made and the result was found not to be in accordance with the expectation of the Bonded Warehouse Committee, and on that the Treasury directed that no further steps should be taken in the matter.

21,743. Local or political opposition to the reduction had nothing to do with it?—Nothing whatever.

21,744. Not even in the smaller towns?—No; the only trouble we ever had from local opposition during the last five or six years has been when we formed the coast into districts.

21,745. Instead of individual ports?—Yes; then we had some strong local opposition, but that very soon died away.

21,746. (*Mr. Cleghorn.*) There has been evidence given here as to the large amount that the present Custom House might realise if it was sold; have you any views upon that?—No doubt it is a very valuable building; some kind of negotiation went on about 1880 between the Government and the Corporation of the City of London with a view to its purchase for the enlargement of Billingsgate, and I believe they offered at that time 700,000*l.* or 800,000*l.*, but the negotiation fell through, and the Government finally determined, in 1882 I think, to keep the Custom House.

21,747. (*Lord Lingen.*) Supposing the Custom House was sold, where is it proposed to provide the same accommodation?—You cannot get the same accommodation, but the idea is that sufficient accommodation for the Customs might be found on a spot of ground which is now almost entirely owned by the Crown on Tower Hill, and that the staff might be located there in a situation quite convenient for all the purposes required. I do not think, however, that the site is large enough. at present the staff of the Registrar General of Shipping and Seamen, consisting of about 60 people, is also accommodated in the Custom House.

21,748. Is land less valuable there?—I think it would be rather less valuable, because the Custom House, abuts on the river, and the space it occupies might be turned into wharves.

21,749. (*Mr. Cleghorn.*) While the Tower Hill property does not?—No.

21,750. (*Lord Lingen.*) That would involve greater labour in removing the goods to your warehouses for bonding and inspection, would not it?—No, it would not affect that question at all, because there is nothing landed at the Custom House quay; the goods are landed at different parts of the river aud trken to the warehouses straight; but I do not think if an attempt to sell the Custom House was made now that it would fetch as much as it would have done 10 years ago, on account of the new bridge below the Tower.

21,751. (*Mr. Cleghorn.*) The view has been expressed to us that the sale of the Custom House would produce millions?—I know that has been said, but a purchaser must first be found. (*Mr. Prowse.*) The Tower Hill site would not be big enough for us as it is at present; there must be a great expenditure to make it fit for our purposes, whether it is limited to the port of London or whether it is intended for the general work.

21,752. Whatever amount may be realised from the sale of the Custom House would be reduced by the fresh expenditure necessary to adapt the other site for the purpose?—Yes, to a great extent.

21,753. In whatever case, whether there was amalgamation or not, there would still require to be an establishment on the river side and a house for the public?—Not necessarily on the river side, but in the immediate vicinity of the present Custom House.

21,754. So that there will be further expenditure required to adapt any other site for the purpose?—Very considerable expenditure.

21,755. You said there had been reductions made all round, and I think you had something to do with them?—I have had a good deal to do with the changes which have come into operation.

21,756. Could you tell us what was the aggregate amount of those reductions?—No; I could of course produce an estimate, but I could not even venture a guess at it at the moment.

21,757. Could you not tell us from the estimates of one year as compared with the estimates of another year?—On every proposal submitted by me to the Board for a change involving a reduction, there is an estimate of the saving, and those estimates could, of course, be collected and totalled. (*Mr. Murray.*) I will, if permitted, put in here a return which will give some information on this part of the subject. This is a return prepared by the Accountant and Controller-General, showing the actual expenditure on the effective services of the Department in each of the years, from 1880–81 to 1887–88 inclusive. It will be observed, that being for the effective services only, the cost of the Pension List is excluded. Within the periods named it will be seen that there has been a reduction of 201 in the number of officers employed (exclusive of a large reduction of about 400 in the number of glutmen) and a reduction in the expenditure on the effective service, including the cost of glutmen, of 111,180*l.* a year. Or taking the year 1883-4, which was the year in which the warehouse changes were completed, though they were partly carried out in the year 1882–83, the actual expenditure for the salaries of the effective service was 808,039*l.*, as compared with an expenditure in 1887–88 of 732,036*l.*, and the expenditure for the current year will be less.

21,758. Is that reduction of 111,188*l.* wholly due to reductions that you have made in the service either by getting quit of superfluous men, or reducing salaries, or altering the system, or how?—A very large portion of that is due to improved administration. I am not prepared to say that a considerable portion of it is not also due to the introduction of the new warehousing system; but at the very least I should put more than 76,000*l.*, viz., the portion which has accrued since 1883–84, and in that reduction I again say that Mr. Prowse has had a leading hand, as due to improved administration.

21,759. Do you think that it is possible to carry that any further?—It has gone further than that this year, and will probably go further next year.

21,760. How much is it this year?—We have not come to the actual expenditure, but the estimate for the expenditure is about 13,000*l.* or 14,000*l.* less than it was in the preceding year, and we shall have reductions again in our estimates for the year 1889–90. I should

Mr. H. H. Murray, C.B., and Mr. R. T. Prowse.

26 Nov. 1888.

like to put in this return giving the actual expenditure on the effective services in each year from 1880-1 down to the year 1887-8 (*handing in same*).

21,761. (*Chairman.*) In this return you have handed in I think you have not included the charge for non-effective services, such as superannuation?—I have not, for this reason: that our expenditure for the non-effective service is at present abnormally high. At the change made in 1882 and 1883, when the new system was introduced, which was introduced against the opinion of the majority of the Board, our pension list was swollen to the extent of about 30,000*l.* a year more than it was before. While we have that abnormal expenditure for the Custom service proper we still have about 5,000*l.* or 6,000*l.* a year on our pension list for Colonial pensions and Coastguard pensions.

21,762. That is, you still bear the charge of all the superannuations of the old order of things when you dealt with the Customs in the Colonies, and when you had the Coastguard under you?—Yes.

21,763. Do they still appear on your vote?—They appear on our pension vote.

21,764. What was the main change in 1882 which you say the Customs rather objected to which resulted in this large superannuation?—It was a change from the accounts being kept by the in-door clerical staff to their being kept by the out-door staff, and the result was that a very large number of the clerical staff, being unwilling to join the out-door service, were pensioned off.

21,765. (*Mr. Cleghorn.*) Is this figure of 732,036*l.* the figure which you said worked out to 15*s.* 8*d.* per cent.?—No; that was only upon the staff employed in the warehouses.

21,766. The whole thing we have been told is 4*l.* 6*s.* 8*d.*, or something like that. I wanted to know how you made out the difference between 15*s.* 8*d.* and 4*l.* 6*s.* 8*d.*, which we are told is the total per-centage?—(*Mr. Prowse.*) The one set of figures includes the water-guard and landing services which are non-remunerative to the Department, also the cost of pensions, and of all the services rendered for other Departments. The other set of figures is directly on remunerative results on the work done in warehouses. The preventive duties do not return anything. That is the explanation of the difference.

21,767. In fact there is a large amount of duty done by the Customs Department which is not expressed by revenue?—Which is necessarily not expressed by revenue.

21,768. There is no revenue derived from a large amount of the duties that they do, and of course those duties which have to be paid for swell the expenses?—Yes.

21,769. Therefore it is to that extent a fallacy to work out the per-centage of the costs of the Customs Department by the revenue it receives?—Yes.

21,770. Does the Board meet daily as a committee?—(*Mr. Murray.*) The Board meet daily.

21,771. What proportion of the business that they deal with comes from the outports as compared with that which originates in London?—I could not say the proportion, but a very large amount of it.

21,772. Therefore as far as that is concerned they might as well sit at Somerset House or in Westminster or anywhere else?—Yes, except so far as the Board may wish to consult with the London officers respecting it.

21,773. Is it necessary that they should sit at the Custom House?—No, not for that purpose.

21,774. For the proportion that arises from London business proper, is it necessary that they should sit at the Custom House and settle it at once, then and there?—No, a great deal of it would perfectly well bear waiting, but when you wanted to consult any officers of the port you would have to send for them and take them further west, and they would take longer in coming to you.

21,775. But that could be done the next day or the day after?—In most cases I think it could.

21,776. Business would not stand for want of that?—No, I think not, because the collector would have to take a great deal of responsibility upon himself; you must have a big man at the Custom House. (*Mr. Prowse.*) With considerable and enlarged powers.

21,777. He would have to take action there unless it was a very special point without referring it to the Board?—(*Mr. Murray.*) Yes, he would act upon his own responsibility a great deal.

21,778. The same as the collector at Liverpool does?—Yes.

21,779. Therefore to that extent it would be immaterial whether the Board sat at the Custom House or not?—It would be inconvenient to some extent, but the Board could sit at Somerset House. (*Mr. Prowse.*) I think in any case, supposing such a change to be as the removal of the Board to Somerset House, we should want a local committee for the merchandise marks cases. I do not think, perhaps, the Commission fully apprehend how very considerable an addition has been made to our ordinary work within this year since the Merchandise Marks Act came into operation. The number of papers on that subject are very numerous. This work has quite doubled the number of our registered papers. Every merchandise marks paper has to come before the Board and must be decided upon by the Board, because the decisions are too responsible to be left to the officers. There are very delicate questions of property turning upon the marks under the prohibition clauses. (*Mr. Murray.*) I should like you to examine Mr. Seymour upon that. He has had the special management of the merchandise marks business from the very commencement; it is a very serious addition to the work of the department. (*Mr. Prowse.*) And highly responsible, because the importers are always naturally struggling to get their importations delivered as soon as possible. There are very delicate questions of property arising under the Act if seizures are ordered.

21,780. And all that, you think, would be best done at the Custom House?—Certainly, because supposing the Board to be moved, London precedents are so valuable in such a case. These cases come from all the outports, and they come at the rate of over 100 cases day by day. I think our daily number of papers is something like 110 on that subject alone; it is almost a department in itself. (*Mr. Murray.*) And these questions involve large sums of money, because many of these articles are liable to confiscation as being illegally marked. (*Mr. Prowse.*) It is all un-remunerative work; it is no question of duty; it is a question of what is legally admissible in the way of marks on foreign-made goods.

21,781. I suppose we may take it that on the whole, assuming amalgamation to take place, you do not think that more than a money-saving of 10,000*l.* or 11,000*l.* a year would be effected?—(*Mr. Murray.*) I do not think you will make that, for this reason; as I said some time back in my evidence I think, there will be a good deal of difficulty in levelling the salaries of the two departments of those officers whose emoluments at present are limited to 200*l.* a year. I think there you would lose a good deal more than you would gain by the abolition of certain offices in the case of amalgamation. To level up our second-class out-door officers alone to the assistants of Excise would cost at least 9,000*l.* a year.

21,782. At the places where the two departments have each warehouses, by combining the two, do not you think there would be a counter-balancing saving there?—I do not think so. (*Mr. Prowse.*) There would be so far a saving that the supervision would be saved; supposing all the bonded warehouses in a port, where the two departments are represented, came over to the Customs, certainly much if not the whole of the supervision would be saved. I do not mean the work in the warehouses, but the supervision of that work.

21,783. Do you mean that one man could do the work of the two?—Yes, the collectors and the surveyors; at any rate it would be almost an inappreciable item of addition where any addition had to be made.

21,784. But the actual working staff?—They must remain as they are of course. It does not matter whether it is an Excise staff or Customs in that case, except for the difference of pay, whatever it might be.

21,785. Reference was made to the Custom House officers at Victoria Station or Charing Cross checking the Continental luggage; are those men employed exclusively on that work?—(*Mr. Murray.*) We have made that work their sole work. Formerly the staff was employed, partly on baggage duty there and then partly on Customs' work in the port; we found that was uneconomical and it was settled then that there

should be a separate baggage staff employed at Victoria and Charing Cross.

21,786. Do those men do anything else?—They do nothing else. (*Mr. Prowse.*) But the service is a very irksome one. It begins before 6 o'clock in the morning as the mail trains from Dover come in. That lasts a short time. Then they come on again in the evening for a succession of passenger trains, Dover and Folkestone. The Queenboro' train, I ought to have said, comes in the morning also. That all makes the service at very awkward times of the day and at broken periods.

21,787. They do nothing between?—Nothing between. We give them that amount of relief. They go away (after serving in the morning) for the rest of the day, and then they go back for the evening trains; but if evening trains are delayed through bad weather, they have to remain as part of their day's work.

21,788. Of course they are only required to be there at fixed times?—At fixed times it is now, when there is no longer a tidal service.

21,789. When the trains come in, that is all?—That is all.

21,790. Then there will be, according to the amount of luggage, half-an-hour or an hour?—Yes, at each train.

21,791. Then they have nothing more to do?—No, but in the evening that means a continuous service, speaking roughly, for about three hours, because the trains come in at different intervals. There is not only the Folkestone train and the two Dover trains, but there is a supplementary service. I admit fully that it is not an arduous service, but it is very irksome to the officers, because it comes at awkward times. We make them up a day's work as nearly as we can of about seven to seven and a half hours. Of course by re-arrangements they could be made to do some other work. When we made the change it was partly because the baggage duty interfered with the work at the regular Customs Stations, because the officers had to go away before the day closed to get up to Charing Cross and Victoria Stations. (*Mr. Murray.*) It was found more economical to keep them as a separate staff for that work alone. (*Mr. Prowse.*) In a small way we worked those officers in for the foreign parcel post examination at the Post Office. In a small way we work these officers in for the examination at the General Post Office of the parcels post.

21,792. I suppose they do not collect any duty which at all pays their wages?—No, they collect that duty which has to be collected; but the work is almost entirely preventive, and will continue only as long as the Government force us to examine every package to see whether there is dynamite; until this order is relaxed, every hand-bag even has to be opened.

21,793. There is a staff of men at Folkestone, when you arrive there, who examine your hand baggage?—Quite so. (*Mr. Murray.*) The present system of baggage examination is under positive orders from the Home Office.

21,794. (*Chairman.*) May I take it, with reference to that return, that when you mention the staff of pensions that have become extra ones, and have been put upon it since 1882-3, that at that year you had some re-organization of your department in the clerical staff?—A very large one, in consequence of the introduction of the new warehousing system.

21,795. The introduction of the new warehousing system entailed an alteration in your general staff?—It did; a very large alteration.

21,796. I dare say you will have the headings of that return properly altered?—Yes.

21,797. Last time you gave us some evidence about the work you do for the Board of Trade in the way of collecting statistics. Is there anything else that you do for the Board of Trade of which you have not told us?—(*Mr. Prowse.*) Our collectors are Superintendents of Mercantile Marine for the Board of Trade at all ports except the very large ports. At the large ports the Mercantile Marine business is managed by a local committee of shipowners with a Superintendent appointed directly by the Board of Trade. At the smaller ports the Collector of Customs manages the Mercantile Marine business for the Board of Trade. It is a considerable factor in the duties of Customs House officers at ports.

21,798. Take it shortly, the men in your employ do a good deal of work connected with shipping?—Yes, and wreck work. All our collectors are receivers of wreck under the Board of Trade. All correspondence, and depositions, and questions in relation to wreck, are managed locally by them in communication with the Board of Trade.

21,799. (*Mr. Cleghorn.*) Do they make you an allowance?—Yes, on the votes; there is a sum transferred from their vote to the Customs vote. (*Mr. Murray.*) But it is paid into the Exchequer.

21,800. It reduces your expenses?—The charge is upon our vote. The sum which is paid by the Board of Trade to us for doing that work is carried to the Exchequer as an extra receipt; it does not diminish our vote at all.

21,801. (*Chairman.*) I suppose it has been found very convenient gradually putting this work, which fresh Acts of Parliament propose to put upon the Board of Trade, upon your officers at the port?—(*Mr. Prowse.*) Certainly, because they are there, locally.

21,802. It has been much more economical than having Board of Trade officers for the purpose?—Undoubtedly; if special officers had to be appointed manifestly salaries and expenses generally would be increased. (*Mr. Murray.*) There is one other point I should like to allude to, if I may. That is the work we do for the Home Office in connexion with the importation of explosives, and the movement of explosives. That is very considerable now. No explosives, except gunpowder and cartridges made of gunpowder, are allowed to come into England now except with a licence from the Home Office, and our officers have to see, when any explosives are brought, first that the importer is licensed to import the special explosive which he has imported; secondly, that he has not imported more than what he is authorised to import; and, thirdly, which is the most difficult of all, to see that they are properly packed, so as to be allowed to be removed inland after they are landed. The regulations issued by the Home Office as regards the packing are remarkably minute, and our officers have to know them. No dynamite can be landed from abroad or removed coastwise without our officers taking cognizance of it, and, when dynamite is landed from abroad samples of it have to be opened by our officers and brought up to the Home Office to be analysed.

21,803. That is work which very conveniently can be done by your men who have to board ships and look for packages and so forth?—It could not be done by anybody else, and in some ports it causes a great deal of trouble.

21,804. Is there anything further you would like to add to your evidence?—I do not think of anything that we wish to add.

The witnesses withdrew.

Adjourned to to-morrow at 12 o'clock.

SIXTY-THIRD DAY.

7, Whitehall Place, Westminster, S.W., Tuesday, November 27th, 1888.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.
LORD BASING.
Mr. A. B. FREEMAN MITFORD, C.B.
Mr. A. S. HARVEY.
Mr. R. W. HANBURY, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

Mr. DAVID PARRY WILLIAMS called and examined.

Mr. D. P. Williams.

2 Nov. 1888.

21,805. (*Chairman.*) You are a Surveyor of the Customs in the port of London, I believe?—Yes.

21,806. There are three classes of surveyors, are there not?—Yes, and I am a third-class surveyor.

21,807. Have you risen from being an examining officer?—I was originally a clerk, and I have been through the grades of a gauger, an examining officer, and then a surveyor.

21,808. You were originally a clerk, you say?—I was a clerk for a few months, because I was not old enough to be an officer of the Out-door Department.

21,809. Were the clerical and the out-door services distinct at that time?—At that time they were quite distinct, but they are not so now.

21,810. Wherein are they not distinct now?—The clerical work of the Out-door Department is now done by the Out-door Department, but the clerical work of the Out-door Department when I entered the service was done by a separate branch, called the Warehousing Branch.

21,811. That change was made in the year 1882-83, I believe?—Yes, in 1882. At that time the officers of the Out-door Department could not enter until they were 20 years of age, and I was a clerk until I was 20 years of age.

21,812. (*Lord Lingen.*) Are the situations of second-class collectors' clerk and of out-door officer distinct original appointments?—Yes.

21,813. The old system was that the first-class clerks, the principal clerks, and the collectors were wholly recruited from the men who had entered as second-class collectors' clerks?—Quite so.

21,814. And the out-door officer might rise from the second to the first-class of out-door officers; then he might become an examining officer, and then he might become an inspector; those being two distinct lines of entry and promotion?—Quite so.

21,815. Will you say where at present they intercommunicate, or are they still distinct lines of promotion?—They are still distinct lines, except that the clerical portion of the work, that is, the keeping of the accounts of the Out-door Department, is not done by clerks, but it is done by officers of the Out-door Department, "Examining Officers."

21,816. Where does the out-door officer sit when he is doing his book work; in the collectors' office?—In an office, not in the collectors' office, but in what is called the Warehouse Keeping Office.

21,817. Is that something new?—That is new.

21,818. Before these men sat in the Warehouse Keeping Office, in old times, was that work done by the second-class collectors' clerks?—No; there was a separate establishment called warehouse clerks.

21,819. That now is consolidated in the out-door officers?—Yes.

21,820. But the lines of promotion are as distinct as they ever were?—Quite so, only that the officers of the Out-door Department are now doing part of the work which used to be done by clerks.

21,821. (*Chairman.*) Then the grade of service begins at the second-class out-door officer, does it not?—Yes.

21,822. He enters, subject to open competition, between the ages of 19 and 22?—Yes.

21,823. Then he rises upwards by promotion until he gets to be an inspector—at all events that is the chance which he has at present?—Yes.

21,824. Did I understand you to say that you began as an out-door officer?—No; I began as a clerk. I would not have accepted an out-door officership, which was a lower position. I entered under the old system entirely. I entered under limited competition.

21,825. You said you are a third-class surveyor?—Yes.

21,826. What is the principal work that you look after?—The work which the surveyors attend to personally is the administration, that is, the overlooking what others have done, and checking frequently; in fact, they have charge of the discipline of the service, the control of the work, and the appointment of officers to the work.

21,827. You have the control of the discipline of those below you?—Of those below us.

21,828. How many surveyors are there in the port of London?—There are about 54 at the present time in the port of London. I think, if you allow me, it would be better perhaps to commence with the "out-door officer," and work up to the surveyor, and then, perhaps, I could shortly show to you the work.

21,829. Take it in your own way?—I will give you a sketch of the work very rapidly. When a ship comes to the Thames she is boarded at Gravesend, and she passes through what are called Quarantine Regulations, and arrives here in charge of two or three officers. Those officers are "out-door" officers; that is the rank which we commence with.

21,830. They are put on at Gravesend?—They are put on at Gravesend, and they are responsible that no goods shall leave the ship without proper documents; that when the goods leave the ship they shall be taken account of, and if not cleared immediately, they have to furnish the documents to accompany the goods to the various warehouses. They have also to assist the examining officer generally in carrying out his duties.

21,831. Where does the examining officer come in?—I am going to touch the examining officer now. When the ship has arrived at her moorings, or at the quay side, the commencement of the discharge of the cargo at once takes place, and all these goods are taken charge of, taken account of, as I said before, by the "out-door officer." The dutiable goods are tallied, and an account of their destination put in the several documents and books. The free goods are dealt with immediately, almost always at the side of the vessel. The examining officer then takes charge of the free goods for examination, always supposing that the proper documents are passed. He examines the free goods for various reasons. I might say that a little mistake occurs generally in supposing that these officers are solely collectors of duty. Their work consists in a very great measure of equally important work, but it is not

with regard to the collection of duty only, and I perhaps might point out to you the reasons for the examination other than revenue reasons. Firstly, he will examine free goods for the detection of dutiable articles, and as many articles are liable to duty at some times, and at others being manufactured in a different way are not liable to duty, that requires some care, and also in various instances great experience. For instance, ethers are sometimes liable to duty and sometimes free; turpentine is sometimes liable and sometimes free; soap is sometimes liable to duty and sometimes free; fusil oils, tinctures, chemicals, all those kind of things have to be readily dealt with to decide whether they are liable to duty or not.

21,832. And the examining officer, in the discharge of those duties, has to go upon his own experience and his knowledge of the different aspect of all these articles, and to understand the technique of the trades?—Quite so. There are many ready tests for them, simple tests, which they have, and in cases of difficulty the surveyor comes in, as I will point out later on.

21,833. (*Mr. Hanbury.*) What do you mean by "sometimes"? Is that owing to the different duties in force at different times, or to the different composition of the articles?—To the different composition of the articles. For instance, soap may be made without spirit, and it is sometimes made with spirit; in fact, for some years there was great difficulty in making transparent soap without spirit. I believe they are able to do it now, but for many years transparent soap always contained spirit.

21,834. (*Chairman.*) If the examining officer has a difficulty in settling, say, whether a case of soap is made with spirit, to whom does he go? does he test it himself—is he capable of testing it himself?—He would ask his surveyor, and his surveyor would probably have a knowledge of this kind of soap from previous tests, and bring his experience to bear. If he then had a doubt he would send it to the laboratory, and it would be decided at the laboratory by exactly the same class of officers.

21,835. Is there a laboratory at every port?—Not at every port.

21,836. At every considerable port?—At every considerable port; for instance, there is one at London, at Liverpool, at Hull, at Bristol, and at Cardiff, I believe.

21,837. You have told us about the examining officer, and where the surveyor comes in; as you say for that purpose of reference the examining officer refers to him?—He is a reference for the examining officer. I was going on farther to point out that he would examine for what are called prohibited articles.

21,838. (*Mr. Harvey.*) The examining officer?—Still the examining officer; I will deal with the surveyor presently; I am working up to the surveyor. There are copyright questions, for instance, which we are responsible for, false coins and counterfeit coins, extracts of coffee, chicory, tea, tobacco, or admixtures of them. They are all prohibited and must be readily grappled with. For instance, I myself was passing along the other day when we had an article entered as painter's colours, and I saw at once that it was a preparation of tobacco, which would be a prohibited article.

21,839. (*Chairman.*) Were they endeavouring to get in tobacco under the colourable guise of painter's goods?—It was probably an endeavour to get a mixture of tobacco into this country, which is a prohibited article. Mixtures of tobacco are not admitted at all, that is in consequence of the trade here having to pay duty on tobacco before it is imported—before it can be used for making those mixtures.

21,840. How did you discover this attempt to defraud the Revenue?—It is almost difficult to tell how one judges; by the colour, the smell, the kind of article altogether.

21,841. The gist of all that is, without going more into detail, that it requires very considerable experience and knowledge of that kind of work which you are expected to do to be able satisfactorily to protect the Revenue?—Quite so. Those are Revenue questions. Then explosive articles may be mentioned next. We have a very great deal to do with explosive articles, the regulations and conditions under which they are imported are, as you are probably aware, very stringent, and it is necessary that they should be so, otherwise we might have explosives brought up very near to London, and that would cause mischief. We are also responsible for the carrying and conveying of dynamite, and a very anxious time we had of it recently with regard to dynamite. Dynamite is not very easily detected, because it comes in so very many forms.

21,842. You have to deal with all kinds of difficult questions of that sort; I do not think we need go into them much farther, because we have got lists of what they are. We want to get at the nature of the work more than anything else. Now you have reached the surveyors, I understand?—The surveyor is responsible, first of all, for the attendance and discipline of the officers, and for the proper distribution of the work.

21,843. (*Mr. Harvey.*) Of the examining officers?—Of the examining officers, the out-door officers, and everybody underneath him. There are examining officers, out-door officers, boatmen, extra men, and the whole classification below. He advises on all points of doubt, and he re-examines and checks very frequently what has been done by the examining officers.

21,844. (*Lord Lingen.*) Would it be the exception if the collector dealt with the discipline and ordering of the out-door establishment?—If it is a small port the collector is the surveyor; he is both collector and surveyor.

21,845. If there is a surveyor on the spot?—Then the collector generally deals with the officers through the surveyor.

21,846. And supposing anything was to go wrong, do you report to the collector or to the inspector?—Direct to the Board through our inspector.

21,847. Not to the collector?—Not to the collector; the collector in London is not responsible for the discipline of the Out-door Department. There are many hundreds and I may say very many thousands of cases under the British Marks Acts retained for the consideration of the Board, and the surveyor is responsible that the circumstances are properly set forth in the reports.

21,848. You would not even transmit your report to the Board through the collector, I understood you, but through the inspector?—Through the inspector.

21,849. If it is a port at which there is a collector and a surveyor, but no inspector; I think that there are only inspectors at Liverpool and London, are there?—Quite so.

21,850. Then would the surveyor at one of those ports still send in his report?—He would report to the collector.

21,851. To his inspector?—Where there is an inspector he would report through the inspector.

21,852. Where there is no inspector?—Through the collector.

21,853. Why through the collector in that case?—The collector becomes inspector in that case.

21,854. The surveyors, as I understand, have a control over all the subordinate out-door officers below them?—Quite so.

21,855. But they do not, beyond having extra responsibilities in dealing with things in that way, have any other work to do that is not done from below upwards; I mean no work that is different in its nature?—No work that is different in its nature.

21,856. They do not deal with other articles?—No.

21,857. But they are superior officers engaged in the same business?—Yes.

21,858. Is that true also of the inspectors who are above them; that they are an upper grade of the same class?—Quite so. There are a few things which are not done by the examining officers, for instance, all taring, which is very responsible work, is done by the surveyor alone.

21,859. Perhaps you will explain what taring is?—Supposing there are a thousand chests of tea, assuming all those chests are not turned out for tare, and they are given an average tare. The difference of a pound tare on a thousand chests of tea would be a very considerable thing, it would be a question of a thousand pounds really to the seller of the tea, either for or against him. That tare is always fixed by the surveyor alone.

21,860. (*Mr. Harvey.*) On what principle does he go?—He selects so many chests and weighs them.

21,861. That is to say, he wants to get specimens of the whole cargo of tea?—Quite so.

21,862. What you mean by "taring" is that he selects the number of specimens that should be taken?

Mr. D. P. Williams.

27 Nov. 1888.

—Quite so, and weighs them, and he says that is the average tare for that parcel.

21,863. (*Lord Lingen.*) Is the tare the technical word for examining and testing?—"Taring" is the technical word for finding the weight of the wood in a chest of tea, everything other than the tea, that is the wood and the lead lining.

21,864. (*Chairman.*) As you cannot weigh the case and all its outer portion that contains the tea as you can weigh a cask before you put spirits in it, then you have to take the tare to get at the real weight of the tea contained in the case?—Quite so, in fact they tare for spirits in the Excise.

21,865. That is the duty of the surveyor. Then if the surveyors are in any difficulties about any of these questions, do they go to the inspectors?—They go to the inspectors.

21,866. Who have all gone through that sort of work before?—Who have greater experience still. Inspectors take whole districts.

21,867. Still, talking of tea, nearly all the tea is dealt with in London, is not it?—The greater portion of it. I believe you will have evidence further of what is done with tea in warehouses.

21,868. (*Mr. Harvey.*) When is the tare taken, or where is the tare taken?—In the warehouse; we send it from what we call the Landing Department and hand it over to the Warehousing Department, and then it is taken over or weighed or bulked, as the case may be, and is weighed and repacked and brought into condition for the market, and upon the findings of the Customs it is sold. Each chest is sold on the Customs account in the same way as wines and spirits are.

21,869. The warrant, for instance, that the dock authorities issue, what is that based on?—Based on the Customs account.

21,870. At what point is that warrant issued?—Immediately on the warehousing, when the account has been taken.

21,871. All that is based really on the Customs account?—Yes.

21,872. (*Chairman.*) The work that you do as a surveyor, and that is what you have been describing, does not extend to anything in connexion with the warehouses, does it?—Not at the present moment, only I might be changed.

21,873. Your time is fully occupied in a different class of work?—In connexion with free goods principally.

21,874. Landing and shipping?—Landing and shipping and examining of free goods. If we have any dutiable goods we forward them to the different warehouses, where they are treated.

21,875. The surveyors of the same class as yourself, or second or first-class surveyors, might equally be employed in connexion with the warehouses?—Yes, there is practically no difference in the duties of the first, second, and third-class surveyors.

21,876. Is the work interchangeable or is it so highly technical that as a matter of practice surveyors and out-door officers are kept to the same kind of work?—No. They generally select surveyors for the different duties who have greater experience in them; but as a matter of fact a surveyor is supposed at the present time to know the whole routine.

21,877. (*Mr. Hanbury.*) How do you get your training?—A man would be in the service three or four and twenty years before he becomes a surveyor. I was 22 years myself before I was made a surveyor.

21,878. (*Mr. Harvey.*) It is all based, is not it, and must be based, on experience?—Experience; nothing else will ever give it to you.

21,879. Have you ever acted as a jerquer?—Yes.

21,880. Will you tell us how you audit; the business of the jerquer is to audit the report of a ship, is not it?—I think I can show you that very simply by showing you this ship's report.

21,881. Was this drawn up by the examining officer?—No; that was drawn up by the captain of the ship or his brokers.

21,882. (*Lord Lingen.*) Is that the ship's report?—That is a copy of a report.

21,883. Is the manifest the same thing as a report?—Yes, it is very much the same thing, only we speak of reports and the brokers speak of manifests. The report is practically a copy of the manifest.

21,884. (*Chairman.*) That is the report which the captain of the ship is by law bound to furnish to you upon the arrival of the ship?—Quite so.

21,885. (*Mr. Harvey.*) Then it is the business of the jerquer to see that every one of these items is accounted for, is not it?—Quite so.

21,886. Supposing a particular item is not accounted for, what would the jerquer do?—Then he queries the Out-door Department. One of the examining officers would receive a query as "Mark so-and-so." S.L. in a diamond for instance, "three bales of tobacco, short of report."

21,887. I am afraid you will have to amplify that a little. Upon what does the jerquer act? On what ground does he check any one of these items?—I will go over it again. Suppose you reported "S.L., three "bales of tobacco," and supposing he finds those three bales of tobacco not accounted for, no documents, not brought to account in any way whatever, then they are short of that report; that is to say, that they have not come to account. Therefore he queries the officer of the Out-door Department as to what has become of them.

21,888. I think we must get you to tell us first of all what you mean by accounting for them?—We will suppose that three bales of tobacco were left behind in Hamburg, and that by an error they were reported; the report goes right through until it is finally jerqued, and we find that these three bales of tobacco have not come. It is then referred to the officers of the Out-door Department to find out why they did not come, and if they were originally shipped; and, if they were originally shipped, what became of them, whether they were smuggled or not, or what else has become of them. There is then obtained sufficient evidence from the brokers and the master of the ship to convince the Board and the officers of the Customs that they have not been illegitimately dealt with.

21,889. Then, in fact, I suppose I might say that the whole of these contents of this particular ship shown in the report you have handed in are what are included in the bill of lading of that ship when she started?—There are different bills of lading, you know.

21,890. This is the detail of what would be on the bills of lading, is not it?—Quite so.

21,891. Then it is the business of the jerquer to see that everything that the bill of lading said was in that ship was in that ship?—Quite so.

21,892. And that every part of that is accounted for, either as a free article or as a dutiable article in London?—Quite so.

21,893. (*Lord Lingen.*) That is a ship coming in?—Yes. We have not spoken of export goods yet. You will notice a great diversity of articles on that particular ship. That report is a fair sample of the goods which arrive from Hamburg.

21,894. (*Mr. Hanbury.*) Do the surveyors act as jerquers now?—No, there is a special department for jerquers.

21,895. Where does this special department of jerquers appear in the Estimates?—On page 5 of the Estimates, you will see a paragraph to the effect that the collector is the head of the Jerquers Branch.

21,896. (*Lord Lingen.*) Do you count the packages?—Yes, they are all counted. All packages of any value are tallied. Would you like me to say anything more about the British marks question, which has been a very serious one lately? I should like to give you a very rough detail of what has been going on with regard to that.

21,897. (*Chairman.*) We should be glad to hear what you have to say upon the work which has arisen since the passing of the new Merchandise Marks Act?—I have got here a memorandum of a few goods which we have been receiving recently. We have detained since the 1st January many thousands of parcels; there is no doubt about that, that we know from the returns.

21,898. (*Mr. Harvey.*) Will you put in evidence first of all what are you duties under the Act?—Our duties under the Act are to stop everything which has a resemblance in any way to British manufacture or which may purport in any way to be British manufactured goods, and under that heading we have stopped pianos, wire, iron goods, glass manufactures, flour,

telephone apparatus, cartridges, preserved meats, nails, steel sleepers and rails, musical instruments, furniture, electric instruments, truck wheels, porcelain, provisions, needles, braid, cotton and woollen yarns, cutlery, rifles, and agricultural implements. These I have taken from my own station, roughly.

21,899. (*Chairman.*) A very great variety of articles, in fact?—A very great variety of articles which are very important to the trade of this country.

21,900. What is your action with reference to them? Do you look at the marks that are on them?—Yes; we examine them in the usual way. So many packages are opened and we look at the marks. If the marks are, in our discretion, such as might be taken for British marks, they are detained, and then they are referred to the Board as to whether they shall be seized or whether they shall be permitted to have the marks taken off, or whether they shall be allowed to go as they are.

21,901. (*Mr. Harvey.*) The underlying idea being that foreigners are endeavouring to make use of British marks in order to obtain a better sale than they otherwise would?—They undoubtedly have been doing so Since the institution of the British Marks Act I heard the other day that one of the most eminent firms of cutlers had their business increased 50 per cent.

21,902. (*Chairman.*) The point is that it has thrown a good deal more work upon your Department?—Quite so, and responsible work, because if we stop things which ought not to be stopped we are liable to at least complaint and great friction, and though the Crown is not liable to it, charges for expenses are made. I saw a case the other day where the merchant had written to the Board of Customs to refund charges for demurrage.

21,903. That is responsible work at the Board of Customs, but do you say it would require any very special knowledge in the first instance on the part of the inspecting officers such as yourself?—I think it requires business tact and experience to deal with these articles readily, because you have only just a few minutes to think. For instance, you see a brand with a man's arm, and perhaps Jupiter on the top of it; you have readily to determine as to whether that could fairly be considered a British mark or not.

21,904. (*Mr. Hanbury.*) How do you know which are British marks and which are not?—We do not know, and that is the question; we have to determine whether it is a colourable imitation of a British mark.

21,905. (*Lord Lingen.*) Does not the Patent Office furnish you with its Journal, giving all the British marks which are registered?—This has nothing to do with registration; this is the question of British marks generally. We stop everything that might be taken for a British mark.

21,906. (*Mr. Harvey.*) Then you must have got a British mark in your mind else you have not got the evidence to base your action upon?—Suppose we have needles and they are marked "Best Steel Needles"; we should stop them because they are needles which might be sold and were sold in the Colonies as English needles, whereas they came from Germany—thousands of packages.

21,907. (*Mr. Hanbury.*) Why? because it was in English do you mean?—An English denomination—colourably English.

21,908. (*Chairman.*) The fact is, that the mark upon those needles, if they came from Germany, should have been in German?—Quite so.

21,909. If "Best Steel Needles" in German had been on the case that would have been the proper mark?—Quite so.

21,910. Whereas "Best Steel Needles" in English presumably is a sign of a pretence that they are English goods?—Yes; we have some ploughs at this present moment detained, merely because they are called by an English description.

21,911. Perhaps you will come now to the exporting side of the question?—The duties with regard to export goods are these; to see that goods which are exported free of duty or from a warehouse are duly shipped. For instance, we have a great quantity of British spirit which comes from the compounders, that is different to whiskey. A compound spirit is spirit such as gin which is made with a flavouring, whiskey is what we call a plain spirit, and comes straight away from a distillery or free warehouse. Now the compound spirit has already paid duty, and on delivery for export the duty is refunded, what we call drawback. We receive all that gin for drawback and see that it is duly shipped, and make the returns to the Excise.

21,912. Do the Excise supply you with the information as to what the stuff is?—It comes from a duty-paid warehouse; it comes from a merchant's own warehouse; it does not come from a bonded warehouse.

21,913. If it comes from a merchant's warehouse direct to you for shipment, it comes upon the authority of the Excise?—Yes, it comes upon the authority of the Excise.

21,914. Therefore, all your duties are confined to seeing that the same amount of goods are shipped as is entered upon the note?—Quite so. We take them to account; they are gauged, and the strength taken, and the amount of the duty assessed by us, and returned to the Excise.

21,915. You have some other duties in connexion with them, have not you?—Yes. On receipt into our warehouse they are gauged for quantities. Of course the quantities are given on the receiving note, but that is checked by us, because spirits, I need not tell you, lose in transit very considerably. Therefore they are checked by us, and upon the return which we give to the Excise the drawback is paid. Then after that, we are responsible that they are duly shipped and exported. The same applies to beer. The same also applies to British plate. The question of plate, perhaps, is not a very great one now. Plate, on being deposited in a Customs warehouse and exported, is admitted to drawback, but it is only so admitted if it has never been used, and there have been many attempts indeed to foist old plate upon the authorities instead of new.

21,916. In these cases the Customs have to do their best to distinguish between second-hand plate and new plate?—Quite so. I had some little time ago a salver brought to me which was nicely burnished, and looked very much like new plate. Every hall-mark has a date letter. I saw that the date letter in this case was a very old one, and I thought to myself that no merchant would have kept this in his establishment for all these years if he possibly could. I traced it, and I found afterwards that this plate had been sold and re-sold by different sets of customers, and it was seized.

21,917. Take the case of spirits and beer. I understand that these spirits have left the merchant's warehouse, and that they have been already dealt with by the Excise, and the duty paid to the Excise?—Yes, the duty has been paid.

21,918. Then the reason why the Customs gauge them when they are going for export is to see what the loss has been in transport?—The duty may have been paid months, even years, before. It may have been paid a very long time ago, because the duty is paid on the first manufacture of the spirit.

21,919. Then what is the object of gauging?—To ascertain the quantity

21,920. You test the quantity, and see how much has been lost since the duty was paid originally?—No, not so; it is all filled into different casks, and it is what is called compounded. A spirit when the duty is first paid is a plain spirit; then it is afterwards rectified, and compounded, and made into gin or other compound.

21,921. You are talking now of compounded spirit?—That is the spirit upon which most drawback is got, because whiskey is generally kept in a warehouse under bond, and exported in the same way that foreign spirit is.

21,922. In that case you have no gauging to do?—Exactly the same thing happens, only the duty has never been paid. We only return on whiskey what is called an allowance. I think it is an allowance of twopence a gallon.

21,923. (*Lord Lingen.*) Then your gauging on the duty-paid spirit from an Inland Revenue warehouse is a sort of check that the duty has been paid on the right quantity, is that it?—No, it is a check on the right quantity for drawback—that we are going to give the drawback on the right quantity.

21,924. (*Mr. Harvey.*) Because it is going abroad?—Yes. It does not matter to us how much they paid duty on originally, but it does matter how much we are going to give them back duty on.

21,925. (*Lord Lingen.*) Supposing, now, this case had arisen, which is not very likely, but still is possible, if there had been an under-charge on the part of the Inland Revenue it is possible that the man might get more drawback than he had paid?—Quite so.

Mr. D. P. Williams.

27 Nov. 1888.

21,926. You do not compare at all what the charge has been with your drawback; you do not say, "On "this quantity of spirit so much has been paid and so "much we will repay you"?—When the duty is first paid that is somewhat remote. Of course it is in different packages. It is a different article now by the time it comes for drawback.

21,927. It gets broken up into different lots?—Into different packages, and instead of being a plain spirit it becomes gin, or it may become orange bitters or many other things.

21,928. In fact you deal with the drawback exactly as if it was an original duty?—Exactly, only these quantities are checked by the Excise in the rectifiers warehouse before they come to us, and we confirm those quantities when we receive them and duly ship them.

21,929. (*Chairman.*) Who does the gauging? Is it difficult work?—The gauging is done by exactly the same officers that do these free goods. The gauging as done by the Customs is, I will not say an extremely difficult work, but it requires great care and very long experience. I have had very considerable experience in gauging and I know what the difficulties are. In dealing with casks of spirits which come from abroad you cannot possibly get at the inside of them, you can only deal with the outside of the casks, and these vary in shape very greatly indeed. The casks from different countries vary in shape; casks from the same country, holding different articles, vary in shape; the timber varies in thickness, and the whole thing requires a very long experience to tell what allowance should be made for shape and timber, but I think we may claim that we are doing it fairly accurately, inasmuch as the whole business transacted by the mercantile community as far as wines and spirits are concerned is based on the accounts given by the Customs. Wines and spirits are sold entirely by Customs account, and I think if the inaccuracies were great, traders would adopt some other system of selling or buying their goods.

21,930. (*Lord Lingen.*) The gaugers are no longer a separate class, are they?—They are no longer a separate class. A very slight inaccuracy in gauging—for instance, a cask of perhaps 100 gallons, the mere shape of the cask would make a difference of 3 or 4 or 5 gallons, and when you know that a gallon means about 16*s.* on the higher strengths of spirits, it becomes a very serious matter indeed. With the Excise it is much more readily got by weighing. Weighing is absolutely accurate; it is like weighing a pound of sugar.

21,931. (*Chairman.*) What other duties have you had with reference to export that are of an important character?—I think I have fairly enumerated them all.

21,932. Are you familiar with any work at the other other ports, or have you been always at the port of London?—I have been on special duty at Bristol and Dundee.

21,933. Those are large ports?—Those are large ports.

21,934. But you have not been at any of the smaller ports?—Not on duty.

21,935. You cannot speak, therefore, as to the mode in which these duties are done when there is only a small staff at the smaller ports?—Practically the man who is able to do one is now able to do the whole, only in London, from the vast quantities of each which he has to do, a man naturally drifts into one department or the other, but we have men in London who could at a minute's notice take any particular duty—many of them.

21,936. As you have told us, the whole of the work was done by the out-door officers straight upwards, the only difference being the degree of responsibility?—The difference in the outport is that the man is every day, perhaps, dealing with all these different things, only to a very much lesser degree. For instance, a man may be weighing tobacco for one hour and gauging a cask of spirits the next, and dealing with free goods the next.

21,937. Are you able to say which is the lowest rank that has the responsible authority of the smallest district that you have—Customs district, or Customs port, or Customs division, or whatever the proper title may be?—I think they call them superintendents now, but I am not able to speak on that with accuracy. There generally is an examining officer at most of these places,

21,938. Have you any Excise officers alongside the work of the Customs in the port of London?—Yes.

21,939. Where do you come in contact with them in your work in the port of London?—The Excise have nothing at all to do with what I have been speaking of—with the examination of the free goods; they have no work of that kind; their work is entirely warehouse work—dealing with goods—with known articles.

21,940. You say their work is entirely warehouse work?—Entirely warehouse work.

21,941. (*Mr. Harvey.*) Do you know all the duties of these various out-door officers from personal experience?—I think so.

21,942. Would you say it was a continuous service, that is to say, taking an examining officer or surveyor of these out-door officers and lower division officers, would you say they were employed all day long and every day?—No, I do not think I would—not all of them.

21,943. Is not the work necessarily to some extent intermittent?—In London here they are pretty well employed all day.

21,944. Take the examining officer at Gravesend, who has to go off with these watermen and rummage; that is the first duty, is not it?—Yes.

21,945. Suppose there is no boat there at all, what has he to do?—He is lying out in the river, and is working pretty hard, if it is in bad weather.

21,946. What is he doing?—He is standing by.

21,947. Waiting?—Waiting in a very uncomfortable position.

21,948. Would you say of the whole out-door service of the Customs that it was rather intermittent than continuous work?—Yes, if you mean by intermittent not actually doing the work; but I call it continuous if a man is standing by.

21,949. I want to get my question answered, whether you think it is continuous or intermittent work?—My answer to that is that it is intermittent in one sense and continuous in another. I say that a man is continuously employed if he is on duty waiting.

21,950. Where does the Excise work impinge on your work? For instance, where do you come in contact with the warehouse as a Customs officer?—It really does not impinge in the sense of impingement, but occasionally there may be two warehouses, one under the jurisdiction of the Excise and the other under the jurisdiction of the Customs, in which the exciseman is dealing with spirits for duty and the Customs officer is dealing with similar spirits for duty.

21,951. Would you feel yourself competent to undertake the Excise duties of a warehouse?—Any Customs officer could do so at once—must, by the very nature of his experience, be able to do so.

21,952. Could any Excise officer undertake the Customs duties?—No; he could not gauge, for instance, without experience.

21,953. Could be rummage?—No, certainly not.

21,954. Then you would say, would you not, that so far as warehousing is concerned, you think the Customs officer could undertake the Excise officer's duty?—Undoubtedly.

21,955. Have you had personal experience of warehousing duties?—Yes, very great experience, in dealing with exciseable articles, such as whiskey and gin and all those kind of things.

21,956. Would you say an Excise officer's duty in connexion with warehousing was an intermittent or continuous duty?—It is continuous, inasmuch as the man is employed, say, from 10 to 4, or whatever the time may be, but he may not be actually at work all that time, because he may be waiting for warrants to come down, or something of the kind. For instance, supposing a man has to deal with 30 or 40 casks of spirits in a day.

21,957. You are speaking of the Excise officer now?—Of the Excise officer. He may get there at 9 o'clock in the morning and he has not got a single warrant to deal with, but at 10 minutes past 9 ten warrants come down, at half-past 10 he has dealt with these 10, and he is waiting for another one to come down in a few minutes; but he is here on the spot all the day, and he does not leave his station.

21,958. So far as your experience is concerned, do you think there would be any economy of men or work if the same officer who is discharging Customs duties also had charge of the Excise duties in the warehouse? —Yes, I do decidedly. I think there would be economy on some stations. It would not be a very gigantic economy, but at certain places there would be an economy if the Customs officers also took over the warehouses, which are under the charge of the Excise.

21,959. There are gaps of time in the work of each one which would then be utilised to some extent?—Certainly, at some of the outports more especially.

21,960. (*Mr. Hanbury.*) Do you say that of your own knowledge?—I should say that of my own knowledge.

21,961. (*Mr. Harvey.*) Do you think that the Excise duties in connexion with warehousing require a long and continuous experience of that sort of work alone? —No, I really do not. The dealing with spirits, as dealt with by the Excise, is not a very intricate operation. For instance, the way in which the quantity is ascertained is a very simple one. It is simply taking the weight of a cask, and as each gallon in that cask has got a unit it is merely dividing by that unit and finding the quantity, and that is done by tables.

21,962. You have had experience, you say, of Excise work?—Quite so.

21,963. Do you think you are the better Customs officer because you have had that experience?—I do not a bit.

21,964. Do you think you are a more efficient Customs officer because you have had experience in warehousing? —I quite see the drift of your question, but what I mean is that the work that was done by the Excise I knew as a Customs officer beforehand.

21,965. Would you say that a man who was brought up in Customs work would be because of that knowledge a better Excise officer?—No, I would say that he was as good, because he could not be a better; he could deal with the work which is done by the Excise; but it would not be fair to say he was a better Excise officer; he would be an equal one.

21,966. However, you do clearly think that if the warehouses were united, so that the man who had the Customs training also took charge of the warehouses for Excise purposes, there would be no loss of efficiency in the services?—Quite so. What I say is that the Customs officer knows the Excise work practically, plus the Customs work. I mean the well-trained one, of course.

21,967. To what class of men are you referring? Do you refer to all these examining officers?—Yes.

21,968. Do you refer to the out-door officers below them?—They have not the same kind of work; there is nothing similar in the Excise at all.

21,969. The examining officers you do refer to?—The examining officers I do refer to. The out-door officers could do a very great portion of the work which is now done by the lower grade of excisemen.

21,970. Would you detail a little more clearly what sort of work they could do?—They could weigh casks.

21,971. Is there any other work that you think they could do?—They could take charge of the warehouses to see that they were duly locked and unlocked, and under proper supervision and act generally in charge, superintending operations.

21,972. You would then, in fact, say that if there were only one system of warehousing, and one system of officers to control it, and these officers were brought up with a thorough knowledge of the Customs' business, that the warehousing system of this country would not suffer if they did the Excise as well as the Customs' work?—Certainly.

21,973. And that there would be a distinct economy? —Yes, I think so; this applies, of course, to places where there are Customs' officers already at Customs' outports.

21,974. Then besides we may say, may we not, that the smaller the places the greater the economy?—Quite so.

21,975. (*Chairman.*) Do I understand you to say that this would apply in other ports than those at which there are now duplicate warehousing establishments, would the economy in fact that you anticipate result in a case where there is only one warehouse which may belong either to the Customs or to the Inland Revenue, or does the economy, which you contemplate, arise from the fact that two warehouses (as there are in London, Liverpool, Newcastle, and six or seven other ports in the United Kingdom) might be done away with as being under duplicate management, and if so, should it be done under separate officers?—It would be difficult to do away with the number of warehouses because they are the property of individuals.

21,976. I am not talking of doing away with warehouses, I am talking of putting them under one management?—The same officer might take charge of two sets of warehouses which are now under different departments.

21,977. At the majority of ports is it not the case that there is only one bonded warehouse?—There are very few ports with only one.

21,978. There are only I believe 10 ports in the United Kingdom where there are duplicate establishments and bonded warehouses?—That is quite possible, I am not conversant with that.

21,979. Then if you leave out of sight those ten ports, where I can understand the economy you speak of would result, where do you think the economy would come in, in the case of bonded warehouses at the other ports?—I do not suggest economy at places where there are not two sets of officers already.

21,980. Two sets of warehousing officers do you mean? —Yes.

21,981. Therefore the economy would only be confined to those ten large ports?—Quite so.

21,982. (*Lord Lingen.*) Do the Inland Revenue do any gauging?—I am not aware that they do.

21,983. At what stage do they levy the duty on home made spirits, can a distiller put his spirits into a bonded warehouse and not pay the Excise duty upon them until he takes them out again for home consumption?—Yes.

21,984. Then when they are going to levy the duty upon them are they not obliged to gauge as much as you are for levying the drawback?—That is only guaging for what we call ullage. The "content" of the cask, the "capacity" of the cask has already been defined beforehand and it is simply the quantity which is less than full as then defined, which is a much more simple operation.

21,985. But the quantity of spirit that is in the cask, do they get at that by any process except that of gauging in some form or another?—It is gauging in a form but it is a much more simple form. The great difficulty of gauging is to find the original capacity of the cask. Having obtained a knowledge of how much a cask contains you can easily arrive at how much the ullage or emptiness is.

21,986. Why is that process not equally available on drawback, what is the exact difference between the practice of the Excise in levying the duty on home-made spirits which is drawn for home consumption and your process in calculating drawback on spirits that are going to be exported?—Dealing with drawback goods is very much more easy than dealing with goods on importation. I quite agree with you there. The casks have already been ascertained for capacity before they come to us for drawback. We merely check them to find that there has been no mistake, as occasionally there has been perhaps to the amount of half a cwt. or something of that kind, but in that case it would be simply misreading the weights.

21,987. The processes that to the best of your knowledge you perform for the drawback and that the Inland Revenue performs for the duty are not identical? —They are very much the same; that is what we call re-gauging the casks.

21,988. Then they probably are so nearly the same that an Excise officer could do the ganging in a Customs warehouse?—Yes, certainly.

21,989. I rather understood you to say that gauging was so peculiar a process that the Custom officers would be always ready to perform the Excise duties in warehousing, but not *vice versâ*?—You are confusing the question of the original gauging for "capacity," and re-gauging for duty having ascertained the capacity of a cask. What I call gauging on importation is a difficult process, a very difficult process, because you are dealing with an unknown quantity entirely. It is something like measuring a field surrounded by a wood, and you do not know the thickness of the wood, and you are

Mr. D. P. Williams.

23 Nov. 1888.

measuring outside the wood, that is really what it is. We are measuring outside the cask; we do not know what the the thickness of the timber is, nor what is the shape of the cask's staves, that is import gauging. Gauging for duty is totally different, we have the "content" or "capacity" of the casks given. The cask say is fixed at 100 gallons, we know that it is a 100-gallon cask, and all that we want to ascertain when gauging for duty is how much less than 100 gallons is in that cask.

21,990. Is there any process by which the outside of the cask will tell you how much is inside it?—Yes there is, that just is the process, we gauge outside the cask to find out what is inside it.

21,991. (*Mr. Harvey.*) Why do you not do it equally in both cases, in the Excise case and the Customs case. Lord Lingen's point is this, why is it more difficult for you to gauge a cask than it is for an Excise officer?—The Excise man has the cask perfectly empty; he weighs that cask and he fills it with spirit; deduct the weight of the cask from the gross weight, and you have the weight of the spirits. The spirits we will say weigh between 9 and 10 lbs. to the gallon, according to their strength, we will say 9 lbs. to the gallon, divide the weight of the spirits by 9, and there you have the contents of the cask absolutely, that is as simple as it can possibly be.

21,992. Now come to your gauging?—This is our method of gauging. We have a cask, we know nothing at all about the timber; we do not know its thickness; we only know there is a cask full of spirit. We have first of all to ascertain what it is, and what allowance should be made for the shape, then what is the thickness of the timber—whether there are any irregularities inside the cask, whether the heads are made thicker one side or the other—and all these allowances have to be made from the outside dimensions of the cask to find what really is inside. That is a totally different thing.

21,993. The fundamental difference is that the Excise authorities deal with an empty cask, you deal with the full cask. They dealing with an empty cask can tell its weight, deduct that weight from the weight in full, and they therefore get the total amount of weight of spirits?—If you can give us the weight of the imported cask, that would be all ready—perfectly right and perfectly simple—but we cannot find that out, we have to estimate that.

21,994. The cask comes to you full, and therefore you cannot weigh it as apart from its contents?—No, we cannot turn it out, because we would injure the goods to a very great extent.—When I tell you that the weight and dimensions of the cask would very often make 3, 4, and 6 gallons difference, more than that, indeed in some instances, 10 gallons difference in the cask, you can easily understand that it requires considerable experience to deal with it.

21,995. (*Lord Lingen.*) As to the thickness of the timber, do you estimate that by any outside calculations, or do you drill a hole into it?—With the majority of casks an experienced gauger will do it without drilling a hole, but if there are difficult casks, casks of which we have not had previous experience, we drill holes here and there.

21,996. As to how much this spirit may be deficient of filling the cask, how do you find that out?—That is done by dipping. A rod is dipped into the cask.

21,997. Therefore it is at last a series of manual operations and not anything like mathematical calculations?—At last, but at first it is a mathematical operation. Given the "content" of the cask it becomes easy, and that is the whole difference between the Excise and the Customs that we have no means of getting at the "content" of the cask.

21,998. Are casks of a certain contour made very much of one weight and pattern, is that so?—It is not so.

21,999. Then do you often dispatch a cask on which you have not performed any manual operation like drilling a hole in it, or piercing it to find the weight of spirit?—Hundreds.

22,000. You do?—We dip the liquid to find the weight of spirit, but do not drill holes in the cask to find the thickness of the timber.

22,001. Do you ascertain the depth?—We always ascertain the depth.

22,002. Then these manual operations may require a certain amount of skill and neatness of handling, but there is no particular training necessary for this?—Not so much as the particular training, which I wish to emphasise for finding the original capacity of the cask. If that is fixed I should say it is not of so serious a nature. The difference between the Excise method of gauging and ours is that they have a simple method and an easy method of ascertaining the "content" of the cask and we have not. We have to deal with something we do not know.

22,003. (*Mr. Hanbury.*) And the Excise have not had your experience therefore?—No.

22,004. Whatever might be the details of the work at the two kinds of warehouses, the general effect of your evidence is this that if they were amalgamated at the 10 ports named, you would be able to do all the work that the Excise do but the Excise would not be able to do your work?—Certainly that is beyond a doubt. I have not spoken about the work which we do in the laboratories, for instance the wines as you know are distilled.

22,005. (*Chairman.*) That would imply a certain knowledge of chemistry?—Quite so, and that is done by exactly the same set of officers.

22,006. Then the Customs outdoor officer appears to require to know something of everything?—Yes, he does, he requires to be a very experienced man.

22,007. He gets it up as best he can, and then as time goes on, and as he rises in the service, he is found to have a little chemical knowledge and so on?—When I first entered the service the out-door department was only recruited direct from the Treasury, that is, the higher positions. It is only of recent years that the "out-door officer" could rise to this position, and I came direct from the Treasury to the out-door department.

22,008. (*Mr. Hanbury.*) How far are they recruited from the Treasury now?—Not at all.

22,009. Where does the recruiting begin?—At the bottom, at the out-door officer now. At the time I entered the service a man who had been an out-door officer could not have become a surveyor.

22,010. (*Mr. Harvey.*) You have a right of re-rummaging, have not you?—Quite so.

22,011. How often, within the last six months, have you re-rummaged?—Say, a hundred times.

22,012. Does that indicate that your examining officers do not do their duty?—It does not. You may send half a dozen examining officer. I have seen it done—into a ship and rummage and rummage again, and they will not find what is hidden in the ship; then the next man goes straight on to it. A ship is a very big thing you know to send two or three men round; you would be surprised to see the way in which they hide the things; for instance, I saw the other day a steam-gauge; this steam-gauge was fixed on a buttress, a little clock-like thing. Something or other induced the officer to say, "I will have that steam-gauge down," and underneath that gauge there was a hole which was filled with tobacco. That might have gone on for months, because it would only occur to one man here and there to take down a steam-gauge. Tobacco is hidden in all manner of places of that kind. What we do by our system of rummaging and re-rummaging is that we find a great deal of it, and that serves as a warning to others when it is found out, because the cases are fairly severely dealt with.

22,013. Have you really had to re-rummage as much as a hundred times within six months?—Yes, I should say nearly a hundred times. I generally rummage two or three a week at any rate.

The witness withdrew.

Mr. JAMES FLEMING called and examined.

Mr. J. Fleming.

27 Nov. 1888.

22,014. (*Chairman.*) You are a surveyor of Customs in the Port of London?—Yes.

22,015. And I think a surveyor of the first class?—Yes.

22,016. How did you enter the service?—I entered as a clerk in the Tea and East India Department by nomination and limited competition.

22,017. Have you been an examining officer on your way up to surveyor?—No; I became a surveyor in 1882 when the clerical warehousing establishments were broken up.

22,018. When the Customs was reorganised as regards the clerical work especially?—Yes.

22,019. Then you have not had experience as an examining officer?—Not as an actual examining officer myself; of course I have had the usual experience for a good many years past of superintending the work of the examining officers and checking it.

22,020. Since you have been a surveyor?—Since I have been a surveyor.

22,021. When you were made a survevor you came there without any previous knowledge, as I understand, other than the clerical work?—Yes, knowledge of the clerical work only, but that is now performed by the examining officer, whilst it was formerly performed by the clerks, so I carried with me the knowledge of that portion of the examining officers' work which was formerly done by clerks.

22,022. In the old times a clerk was not a clerk then but he was something else, that is to say, besides doing clerical work he did some of this examining work?—He did work that is now called examining officers' work, although it really is a kind of clerical work, that is the work of checking the quantities and issuing delivery orders and seeing of course that regulations were complied with according to the requirements of the service.

22,023. You did not do any searching or examining for free goods and so on?—No, I never had any experience of that kind myself except as a surveyor.

22,024. I believe the work that you are principally engaged in is in connexion with the warehousing department, is it not?—Yes, that is what I have come here to give account of, and that is what I have had most experience in.

22,025. The regulations for the two systems of warehousing are identical, are they not, between the Customs and Inland Revenue?—They are identical.

22,026. There is one code of regulations?—Yes.

22,027. In administering that code have you yourself come into contact in connexion with the Inland Revenue warehouses, with any different decisions that have been given; are you familiar with any cases of that sort?—I do not know of any and practically I believe there are none except such as may arise from this, that the Customs warehouse mainly contains goods that come in from abroad and the Excise warehouse almost wholly goods manufactured at home. We take, for instance, brandy, strong spirits from Hamburg, wine, rum, tobacco, tea, fruit—things of that sort; trade will not readily change merely because we have altered our system in the Government service. The merchants that were in the habit of warehousing their goods in Customs warehouses still continue to do so, they have got used to the system, and I suppose the system suits them.

22,028. Now the systems are identical?—The systems are theoretically identical, but practically the man who sent his goods to a particular warehouse or kind of warehouse, say a Customs warehouse, does not readily transfer his goods to an Excise warehouse merely because the regulations would permit him to do so.

22,029. (*Lord Lingen.*) I suppose for one thing his carter knows his way, and he probably knows some of the officers that are there, and that the thing works in a channel of trade?—Everything has been arranged in the course of time to suit the particular class of business. All the warehouse officers (I am not speaking of Customs officers), the proprietors of the warehouses and their servants in the warehouses, and all the carmen and the lightermen, and every man connected with the trade, has been brought up to attend to his particular trade, and consequently the man who is interested in having his work properly performed will not readily change whatever changes we may make.

22,030. (*Mr. Harvey.*) He has less friction by sticking to the old mode?—That is just it; trade stays in its own channels.

22,031. In dealing with the goods that are in the Customs warehouse, is there any material difference in the way in which they are dealt with?—There is no difference in the system; if there is any difference it is through some fault in the officer in not observing the regulations. But the difference will be of course that we have to a very great extent classes of goods which scarcely ever go to the Excise, and they have some classes of goods which do not so frequently come to us.

22,032. (*Chairman.*) So far as you know the work of the Excise, would you say that there would be any difficulty in the same class of men—I will not say whether Excise men or Customs men—dealing with all the various classes of goods that come to both departments within the warehouses?—Within the bounds of the warehouse I should say not; the moment the account has been taken and the goods have got into the warehouse, why then of course they can be equally dealt with. The officers under me are dealing every day with some kinds of Excise articles, and no doubt in many Excise places they are dealing with some kinds of Customs articles.

22,033. You have always been in the port of London have not you?—Always in the port of London.

22,034. Do you think any substantial economy and improved administration would follow from putting all the bonded warehouses in the port of London under one authority?—In London of course the Customs business is far in excess of the Excise business; the Excise business is a mere trivial matter in London compared with that of the Customs, but in the inland places the case is reversed.

22,035. I mean where there exist duplicate establishments or bonded warehouses, as there do in the port of London; do you think that supposing that the Customs had the charge, so far as the Government is concerned, of all the bonded warehouses, that a very sensible economy would be effected?—No.

22,036. You do not?—No, because every warehouse is worked, and has been for the last six years, at the lowest possible rate. I never knew a time in my experience of 30 years when economy was so thoroughly looked after as it has been during these last few years.

22,037. It is very satisfactory to know that, but it has been suggested to us now that we are looking into the question of amalgamation, that in the case of the ten ports where there exist the duplicate system of bonded warehouses, that is one under the Customs and the other under the Inland Revenue, an economy would be effected by putting them under one Board or the other or under one management?—Most certainly, there would be in places where there is not very much work for either party, but in London, you see, nearly every warehouse is so big that it needs many officers, and you have not to deal with fractions of an officer merely. Every man is fully employed, and you cannot make the work any less by putting the two together; putting the two together is a mere addition.

22,038. Your experience and knowledge of these warehouses leads you to say that the Customs men at all events are fully employed in these warehouses?—Yes they are, certainly, in London.

22,039. And whatever convenience might follow from their doing Excise work also would be merely where you would not want officers?—We should simply have to take over the officers that are fully employed at say Haydon Square, which is very near my station. I could not work it by any fewer hands. I presume they are fully employed, certainly my men could not do the Haydon Square work.

22,040. (*Mr. Hanbury.*) Are the salaries about the same at the two kinds of warehouses?—Probably they are very much the same on the average. The names do not correspond exactly, but I should say the averages within the warehouse are very much the same. The average salary, taking a Customs officer beginning as an

Mr. J. Fleming.

27 Nov. 1888.

out-door officer on to the end of what he can attain to, is decidedly lower than the average salary of an Excise officer taking what he can attain to. You will easily see that if you look at the estimates.

22,041. Please limit yourself to the men connected with warehouses?—Reckoning from second-class examining officers down to assistant examining officers and down to out-door officers, I should imagine the average would be very much the same. We have a large number of out-door officers only paid as such or with sometimes a trivial allowance extra, who have to do the duty of examining officers, and they materially cheapen the rate of pay, they bring down the average very considerably.

22,042. (*Chairman.*) Of the Customs?—Yes.

22,043. As regards the establishment in the warehouses, so far as you know the men who do the Excise work, do you think there is any substantial or practical difference between the pay and salaries they get and the salaries your establishment pays?—I should imagine there ought not to be and would not be.

22,044. It is not a question of what ought not to be, but the question is whether it is?—I do not think it is, because the maximum of the second-class examining officer is 220*l.* a year, and below him there are assistant examining officers who can do nearly all his work, and are doing it in many places, and also out-door officers acting as examining officers. Not knowing, of course, that that question would be asked, I did not make a calculation, but I should say that the average cannot be very often different.

22,045. As a matter of common talk among the men in your establishment you must hear a good deal about these things; which is supposed to be the best service as regards the warehousing work?—There is no separate classification for warehousing, and consequently a man does not reckon that his prospects are bounded by what he can get in a warehouse; what he can get on a wharf, or on the river, or in the docks will enter into his calculations.

22,046. Is your service the more popular?—Candidates prefer going into the Inland Revenue service, most decidedly; they begin better off. In fact an order had to be issued prohibiting out-door officers of Customs from competing for Excise vacancies for at least two years. Our out-door officers are very much worse paid to begin with, and the ultimate prospect in the Inland Revenue appears to be on the average better, but in the intermediate classes in the middle portion of their career I should say the Inland Revenue officials are on the average worse off.

22,047. At all events, to come back to the old point as regards the warehousing about which you principally speak, there is no substantial difference?—No.

22,048. And I understand it that in the port of London at all events you do not think any substantial economy could be effected?—Nothing particular; it could not be. But in making a comparison between any two warehouses, as regards cost of management, everything would depend on whether they happened to have a greater or smaller proportion of junior officials, or of men at or near the minimum salaries of their classes. So long as there is not in either department a separate classification for warehouse officers, I do not see how a trustworthy comparison can be made, unless we take the average rate of pay in each of the two departments as a whole.

22,049. You cannot tell us anything about the outports, can you?—I cannot.

22,050. You have no knowledge of them?—I have no knowledge sufficient for me to give you any evidence. I have only such general knowledge as a man may acquire by being at head-quarters and hearing a good deal and conversing with officers who come from the outports.

22,051. Have any complaints reached you from the trade as to the different way in which regulations, as affecting the warehouses, have been interpreted by different sets of officers?—No, no complaints that have any foundation. Of course, if a man cannot get that done which he wishes to have done, if it is contrary to the regulations, he will always tell you that "I can get "it done at such and such a warehouse," but we attach no importance to a statement of that kind. We know the regulations are the same, and presumably the men obey them. I have had no complaints, if that is what you mean, that our system is more difficult for a merchant, or more hampering for a merchant, than the Inland Revenue system, none whatever.

22,052. (*Mr. Harvey.*) Do you think the convenience of the merchants is consulted equally at both?—I should say so.

22,053. And that the only reason why a man selects one warehouse in preference to another is, either the nature of the goods or the tradition that he is accustomed to a particular warehouse?—I should think it would be most probably so.

22,054. (*Chairman.*) Is there any rivalry, do you think, between the separate establishments; a laudable desire to get the greatest amount of the business, which may possibly be supposed to be prejudicial to the Revenue by changes in the mode of treating articles in bond. Do you think there is any truth in that statement, if it is made?—No, I do not think there is. Of course the two departments have latterly been looking on each other as to which is to swallow the other, and to that extent there may be a kind of rivalry. I do not think there is any rivalry with regard to the method of performing the business.

22,055. But it may possibly be suggested—in fact I think the suggestion has been made, that where there exist duplicate bonded warehouses in London, or other large places, the natural tendency of the officer in either establishment is to do the best he can to secure the most of the trade for his own particular department, and that may be an inducement to make the regulations affecting the Revenue rather easier?—I do not think so. I am satisfied it has not the slightest effect.

22,056. (*Lord Lingen.*) A man has no pecuniary interest in doing it, of course?—No, he has no pecuniary interest.

22,057. It can only be on account of such credit as they can obtain in the trade?—Yes, a man would be a fool who would do that, because his gain must be trivial; must be remote and contingent, and not to himself personally, whilst he runs a risk of being punished for breaking the regulations.

22,058. (*Chairman.*) The suggestion has been made to us that the effect of that kind of rivalry—not for the sake of the money, but for the sake of the credit of getting the most work for the establishment—has been possibly prejudicial to the Revenue?—I have never known a case to justify it.

22,059. (*Mr. Harvey.*) Do you think the present rivalry between the departments, so far as it exists, tends to check officialism and red tape, which under one single system of government might operate more than it does now?—I really do not think it has the slightest effect; men do their duty wholly apart from any remote possibilities of the kind.

22,060. (*Chairman.*) From that point of view, as connected with the warehouses, have you any opinion to give upon the question of the amalgamation of the two Boards, and of the services generally?—No; I did not understand that I was to express an opinion either for or against amalgamation.

22,061. You have heard it talked about a great deal, I dare say?—Yes; we have. We all of us naturally prefer to remain in the branch that we belong to. We might go farther and fare worse, but I suppose the same feeling is to be found on the other side also.

22,062. From the Revenue point of view, as a public servant of considerable standing connected with the Customs, do you see any advantage to be gained or not?—I see no advantage whatever, and I do not really think that it matters a straw; as far as regards the public, the business would be done on precisely the same lines as it is now.

22,063. Do you say that when you take into consideration the different kind of goods for export and so on that have to be dealt with in the case of merchants who have to deal with two departments, there is no substantial difficulty caused by the fact that the trader who deals with these various articles has to deal with two departments instead of one?—I do not think he has to deal with two departments instead of one any more than you can say that he has to deal with many warehouses instead of one. An importer's goods may be in several warehouses, and of course he has to deal with the proprietors of those warehouses, but it makes no difference; if he chooses to have his whiskey in a Customs warehouse he can have it transferred to us,

and if he chooses to have his brandy in an Excise warehouse he can have it transferred to them. It matters nothing, I consider, to him where the Board sit, or how the men are paid, or whether they are on one classification or on two.

22,064. I was just now thinking of a trader who is dealing with some kind of dutiable goods in which owing to the manner in which he intends to dispose of them he has to have transactions with the Inland Revenue from an Excise point of view, and the Customs either with reference to drawback for export, or in some other way; does he meet with any difficulties in consequence?—I should think none that amalgamation could possibly remove.

22,065. It would be in fact the same thing; in any case he would have to deal with the same article under two different aspects?—Just the same.

22,066. And it would be two departments of the same amalgamated Board; is that your view?— Just so.

22,067. (*Lord Lingen.*) Have you had any experience at getting goods from the Inland Revenue custody into Customs custody for exportation and drawback of duty?—Yes.

22,068. In all cases is it true that the goods must come from the Inland Revenue warehouse into Customs warehouse before they can be exported and drawback granted, or may they go direct from an Inland Revenue warehouse on board ship?—Beers are always sent direct by the Inland Revenue on board ship in London. They have got their own establishment, with a port surveyor.

22,069. Is there a drawback on beer for exportation?—Beer is not one of the things in which I have any skill, but I presume there must be, for samples are drawn before the exportation takes place.

22,070. Let us take the case of spirits. If British spirits are in an Inland Revenue warehouse, can they be put on board ship direct from the Inland Revenue warehouse, or must they come from the Inland Revenue warehouse to a Customs warehouse?—I think as a matter of practice they are nearly always exported through a Customs warehouse, but I do not know that there is any real necessity for bonding it there. I should think they export straight from Haydon Square, but that is an Inland Revenue matter that I am not exactly acquainted with.

22,071. I thought perhaps from there being officers of both departments at the waterside, or in the Customs establishment, that you might have come in contact with them, and be able to say what the practice was?—I believe they can export if they please. I know no reason why they should not. But the persons who are most likely to have a knowledge of the foreign or colonial market, so as to be able to place British spirits with buyers, will be merchants who carry on business at Customs ports, and are in the habit of keeping their dutiable goods in Customs warehouses.

22,072. Do you know whether for that purpose or not the Inland Revenue itself gauges, or is all the gauging done by Customs officers?—The Inland Revenue have their content taken by weighing an empty cask. They fill it with spirits, and they take the gross weight. They refer to a table and they decide upon the content according to a certain scale laid down upon those tables. All spirit begins immediately to waste after it is put in a cask. There is a very considerable amount of waste both in the liquid and in the strength. When they are sending it out for delivery for any purpose whatever in the Inland Revenue, they must dip it to ascertain how many inches and tenths are dry. We do precisely the same.

22,073. In the case of spirits, the Inland Revenue would do all that dipping for themselves?—For themselves. They do not do gauging in the sense of ascertaining the contents by the use of our complicated rules. We are driven to do that because we have no other means of ascertaining the contents of a cask of brandy, for we dare not turn it out. We should have to empty it, and to weigh the empty package to ascertain the tare, which would not be allowed.

22,074. Do those complicated rules give you the contents of the cask if it was full?—Yes.

22,075. Then you have to ascertain how much it is short of the full by dipping and other mechanical operations?—Dipping and doing the calculations according to certain rules.

22,076. Do the Inland Revenue people go through the same process in their warehouses?—That latter process of ascertaining the ullage, as we call it—that is the value of the deficiency—that is done by them the same as by us.

22,077. The other they do not, because they have already done it; is that it?—They have a better opportunity of doing it. Spirits are manufactured in a distillery, where they can watch the process; consequently they can ascertain the content much more accurately than we can—much better. I would rather have their system, if we could adopt it, of simply weighing the spirits.

22,078. You get casks for exportation which you have never seen before, and you have to ascertain what their gross contents is?—Certainly, we have no other means but our rules of ascertaining.

22,079. And those rules the Inland Revenue has no need to resort to?—No, because they have a more accurate method which they can adopt.

22,080. (*Chairman.*) What kind and what amount of what is properly Customs work is done in the warehouses?—Take tea or tobacco; perhaps tea would be the easiest to take. The packages are brought up in carts, locked vans from the docks. The locker unlocks the vans and the warehouse keeper takes possession of the packages, and when he has got a proper number together he sorts them out in what he calls "beds" for taring. They are all weighed gross with an examining officer sitting by watching the weights and recording the weights in landing books (I have got specimens here); after the weights have been taken the mechanical work is performed by the warehouse keeper's servants. If they are China teas, which mostly go on an average tare—a certain number of packages—a certain proportion according to a fixed scale are always emptied out, and the empty packages are then tared to ascertain the average tare in the presence of the surveyor. The surveyor then decides what the average tare shall be to govern the whole of that bed whatever the number may be. The effect of that is that his decision decides for commercial purposes as well as for Customs purposes what the tare of the packages is to be. The merchants who import the goods, the dealers who buy the goods, and the grocer who ultimately gets possession of the tea, and so on, all abide by the Customs tare.

22,081. (*Mr. Harvey.*) In all tea warrants one nearly always sees a number of marks, the numbers with the weights of each respective package, and then, at the bottom, so much deducted for tare. That, I presume, is the outcome of this system that you have been describing?—Certainly. The Surveyor of Customs strikes the average tare which governs the transaction throughout.

22,082. Then the consignee in this country accepts that without question?—Without question.

22,083. Although clearly it must be a most important element in dealing with a quantity of tea?—Yes, we reckon the taring the most important duty almost that we have to perform, because of its bearing both upon the Crown's interests and the trader's.

22,084. (*Chairman.*) Should we find any difference in the trade as to the mode in which this work is done by the Customs?—No.

22,085. Do you think if we were to examine all the principal tea merchants, and ask their opinions we should find a general satisfaction with the way in which this work that you have been describing has been done by the Customs?—Certainly.

22,086. (*Mr. Harvey.*) Have you had instances of any being thrown back because the consignee thought the tare has been excessive?—Very rare cases; one or two in a twelve months or so. We may hear that a grocer had got home a package of tea and he found that the tare was more than was stated; that of course would arise from the package having been re-leaded or hooped after the tare was taken. Such cases occasionally occur but very rarely.

22,087. (*Lord Lingen.*) When tea is landed and you have weighed it in this way, and entered the particulars upon the warrant, supposing you have got it into a bonded warehouse in London, and it is consigned to a great tea dealer in Birmingham, and he wants to keep it in bond, but in Birmingham and not in London, what happens in getting it to Birmingham?—He passes a bond for the removal and warehousing at such and such a warehouse in Birmingham. That bond is passed in the Long Room of the Customs; the Bond Office. There

Mr. J. Fleming.

27 Nov. 1888.

is a warrant which is presented at the station, or it may be, brought down by the Customs messenger to the station where the tea is lying. On proper examination in the landing-books clerical examining officer will calculate the weights, write off "delivered for removal "to such a place" enter the corner, number and date and so on, and then such a weight. The goods will then be given over to the carman, taken by him to the railway, and after a few days a certificate of receipt would arrive from Birmingham, a despatch having been previously sent. The despatch would be sent by the clerical officer at the time, or immediately after his having issued the delivery order; the certificate of receipt would arrive a few days afterwards, and if it did not arrive within a reasonable time of course a query would issue as to what had become of the goods.

22,088. All tea in London goes to a Customs House warehouse on landing as a matter of practice?—That is the practice.

22,089. Supposing for any reason an importer had a mind to take the tea to an Excise warehouse, all the process of weighing and so on would be done exactly the same in the Excise warehouse now as in the Customs warehouse?—It should be so done.

22,090. Is there anything at all special in the experience that is wanted for ascertaining the weights and properly making the entries on the warrants?—No, an ordinary intelligent man with a reasonable amount of teaching and experience will of course do it, no matter where he belongs to.

22,091. With a very moderate amount of teaching and experience?—I should say that it does not require a very great deal. It takes a very long time to be thoroughly skilled in all regulations, but it does not take a long time to learn any one part of the duties.

22,092. I should like to put the case in this way: supposing a Customs warehouse where tea now goes was withdrawn, and the Inland Revenue warehouse was kept up, would the Inland Revenue people find any difficulty in doing what your people do with tea packages?—I should imagine not. At the beginning of course they would, but as soon as they learned it there would be no difficulty whatever.

22,093. (*Chairman.*) I suppose I may take it that generally, as a matter of fact and practice, inside the warehouses the service may almost be said to be amalgamated?—It is amalgamated practically, the regulations are the same, absolutely the same book issued. The Board cannot alter a word in the Code without the agreement of the Inland Revenue. Of course special orders may be given for special cases arising where merchants ask for any reasonable relaxation of the regulations, and the Board will always give way if a good ground is shown for setting aside the ordinary regulations. We have those things daily. For instance, the other day—it is a very small matter, but it happened at one of my warehouses. The regulations required that wines should contain 1·78 gallons per case, but one firm of shipowners, or people supplying a ship, said that they did not want to use large cases, they only wanted to send a dozen pints of burgundy in each one of their ships for use as stores, because there was little demand for it, and, if we did not allow the dozen pints of burgundy, which, of course, would be much less than two gallons to be bottled and given them they could not ship the small quantity they wanted. It was a trivial matter, and our Board at once assented.

The witness withdrew.

Mr. William Henry Hinks called and examined.

Mr. W. H. Hinks.

22,094. (*Chairman.*) You are one of the inspectors of the Customs at the port of London?—I am.

22,095. There are five of you altogether, are there not?—Yes.

22,096. You, I think, principally take charge of, or superintend the waterguard duties of the port, including all the preventive and other duties of the Customs?—Yes.

22,097. Your class only exists in London and at Liverpool, I think?—That is all, but on the Tyne we have something of the same nature; I was on the Tyne myself.

22,098. As a surveyor?—As an inspector of the waterguard with the rank of surveyor.

22,099. Is yours a necessary office where the waterguard has so much duty as you have to do in London?—Quite so.

22,100. Perhaps you will tell us what your duties are?—The waterguard work commences, of course, at the limits of the port. The port of London extends now to Queenborough, taking in Southend, Sheerness, Hole Haven, Thames Haven, Gravesend (which is the boarding station for the port).

22,101. Is there only one boarding station for the port?—The boarding station for the port of London within the Medway is at Garrison Point at the entrance to the Medway, but the boarding station for the Thames proper is at Gravesend.

22,102. You say you are inspector of the waterguard; what is your waterguard; do you include watermen in the waterguard?—All watermen.

22,103. Do you include any of the out-door officers above them in the waterguard?—I have above 200 out-door officers.

22,104. There are 294 out-door officers of the second class, I see?—I have about 170 out-door officers at Gravesend who guard the vessels between Gravesend and the docks in London.

22,105. Those are the men who are put in charge of the vessels coming up from Gravesend?—Quite so.

22,106. Are they out-door officers? — Out-door officers.

22,107. All of the second or first class?—A few of the first class, the majority of them of the second class; for this reason on the first entry into the service they all begin their duty at Gravesend.

22,108. You were going on to tell us what your duty was?—The waterguard duty consists, of course, in the protection of the Revenue, in the first instance, in the case of, we will say, 10,500 vessels from foreign parts arriving in the Thames in course of a year, and also includes all matters relating to explosives, quarantine, cattle, and dangerous oils.

22,109. You, in fact, deal in the preliminary stage, including the preventive duties on the water, with all those kind of questions which are subsequently dealt with by the examining officers, and so on upwards. It is all the preliminary stages of the same inquiry into the same articles, the quarantine being the only exception?—Commencing with the duty at the lower part of the river. I have also all the officers at the dock on waterguard duty, and the rummaging of the vessels are under my control. This duty commencing at the lower part of the river, and in regard to quarantine cattle and explosives principally dealt with there is, as regards revenue matters continued by the examining officers and surveyors at the up-river stations where the ship may discharge.

22,110. The work of the Customs in connexion with the cattle trade is only of quite recent years, is not it?—For many years now.

22,111. Had the Customs to do with cattle import before the cattle plague regulations?—At least for the last 13 or 14 years.

22,112. You practically are responsible for all the duties of the Customs up to the time that the ship gets to a dock, or to wherever she is going to unload?—And all during the time she is discharging, because all the waterguard rummage the vessels during the process of discharge and clear vessels after being discharged—all the duties appertaining to the vessels with the exception of the examination of the goods after landing.

22,113. (*Mr. Harvey.*) When do you consider you lose your grip over the cargo? When do you feel that "I have done with that cargo?"—In the waterguard I have all the free goods on the river discharged under my supervision as well.

22,114. That we have followed into the Long Room, and so on, but when do you consider that you have done with the vessel?—As soon as the cargo is out of the

vessel in the docks; as soon as the vessel has been discharged, unless bonded stores remain on board, or the vessel loads dutiable goods, in which case she is in charge of the waterguard during her continuance in the port.

22,115. (*Chairman.*) Do the other inspectors do the same work as you do at different times, or do you distribute your work?—Not at all; they have nothing to do with the waterguard.

22,116. You are attached to that particular work?—Yes.

22,117. Do most of your watermen of the first and second section, as they are called in the estimates, come in on nomination?—The watermen all come in on the nomination of the Treasury.

22,118. What sort of men do you generally get?—It was intended that we should have men used to the sea. We take them on probation. I send them for a preliminary trial, to see that they know something about a boat before we take them on probation at all.

22,119. We have had some evidence about these men. Are you satisfied with the sort of men you get?—Quite satisfied. As compared with a few years ago they are a very superior class.

22,120. (*Mr. Harvey.*) You trust them to rummage do you?—Quite so; they are very good men.

22,121. (*Chairman.*) They are very good for that?—Yes.

22,122. (*Lord Lingen.*) We had some evidence that they were men not used to boats; is that very soon got over by a little practice?—It would be preferable that they should have had some idea of the water before they came in, but if a man is a muscular man, with a little practice we find that he answers our purpose very well.

22,123. But the class you get by this nomination you find physically, and from their aptitude in learning their duties, satisfactory?—Yes.

22,124. (*Mr. Freeman-Mitford.*) Do they pass any physical test?—They have to pass our medical man, and have to be of a certain physique, in height and size round the chest.

22,125. (*Chairman.*) Do any of these men rise afterwards to become out-door officers?—Not out-door officers. They never pass into out-door officers in London.

22,126. They always remain watermen in London?—They are promoted to be assistant examining officers, and examining officers.

22,127. (*Lord Lingen.*) They have a sort of junior promotion open to them; the boatmen have to be assistant examiners?—They have everything open to them the same as out-door officers; it would be by competition. They can enter a competitive examination for examining officers just the same as an out-door officer.

22,128. (*Mr. Harvey.*) But they do not become out-door officers?—They do not become out-door officers.

22,129. They can compete for the examining officers, but they do not become out-door officers?—Of course, as you are aware, in London and Liverpool we have a distinct class of watermen and boatmen, and at some of the small outports, the out-door officers have to do the duty of boatmen.

22,130. (*Chairman.*) Do you know much about the small outports, or have you always been employed in London?—I have been at Lymington in the port of Southampton as principal coast officer, Galway, as landing waiter, Fowey (Cornwall), examining officer, the Scilly Isles (Superintendent of Customs), the Tyne (Surveyor and Inspector of the Waterguard), and London (Inspector).

22,131. Your acquaintance is with ports of very different size and importance?—Yes.

22,132. With reference to some of these smaller districts, where the Customs House officers are not fully employed in Customs work entirely, do you think that there would be any difficulty in some of those cases in the Customs officer taking over in addition some Excise Revenue work?—In many places the officer is not fully employed at all times on Customs work. For myself, I was more a Board of Trade officer than a Customs officer for years—my work was far more for the Board of Trade than for the Customs.

22,133. I am speaking now of some places where a Custom House officer has to be stationed, some small creeks, as I think they are called, some quite unimportant districts where he must be placed to see that nothing wrong goes on in defrauding the Revenue, but where he has got a great deal of time on his hands. It is suggested that there are cases where it is possible that some of the Inland Revenue work might be done by them?—It is quite possible in many places.

22,134. (*Mr. Freeman-Mitford.*) In the Scilly Isles, for instance, the duty of the Customs officer is very little, I suppose?—They have no Inland Revenue there; they have no licenses, and there is no income-tax payable there.

22,135. (*Chairman.*) Your men that you have for rummaging and doing your work in the beginning have to understand a good many of the regulations; they have to be quick men to pick them up?—Quite so, especially on account of the very large vessels which are now in use. It is so very different than formerly. We have vessels of 6,000 tons with a crew of 175 men; the vessel is almost like a village. The rummaging of those vessels is so very different to what rummaging was a few years since.

22,136. Have you many men come in as watermen or as out-door officers who have been accustomed at all to the sea; have you had many sailors?—I could scarcely say the proportion, but, as a rule, the majority of out-door officers are young Irishmen coming fresh from school.

22,137. They do not come from the sea?—No, more from the land.

22,138. (*Lord Lingen.*) Do they learn sea duties pretty readily?—Really, the out-door officers have very little to do with sea duties. It is the watermen who have to understand that.

22,139. I thought you sent out-door officers on board the ship to rummage?—Not to rummage, simply to guard the vessel.

22,140. Is all the rummaging done by boatmen?—All done by boatmen.

22,141. (*Mr. Harvey.*) The port of London you are acquainted with?—The port of London.

22,142. Who orders a re-rummage. We have had evidence of a re-rummage; would the surveyor order that without any reference to you?—I have a staff set aside on purpose for that, a re-rummaging staff.

22,143. What are those men—watermen?—Examining officers, with a crew of watermen, the same as the first rummage crews would be.

22,144. Would you mind telling us what your daily duty is in London. In the first place where are you stationed?—I live at Gravesend.

22,145. You superintend I suppose that which these examining officers do when they first go on board the ship?—Quite so. I have 10 surveyors under me in addition to examining officers throughout the ports.

22,146. How do questions come before you. What moves you to take action?—They, the officers, are guided by their general instructions in the first instance, and then all the papers are sent to the head office, and I am in London every day for three or four hours at the Customs House; the remainder of the time being taken up in visiting all the stations to see that the officers have been doing their duty, and answering questions that may be put to me on practice by the officers at those stations.

22,147. That is the duty of superintendence. What sort of questions are referred to you on paper?—All questions relating to waterguard duties, such as to ship's stores, to quarantine, to explosives. I have to see that the explosive samples are sent to the Home Office, and that all the requirements as to licenses, packing, marking, &c. as required by the Act are complied with. I have a very great deal to do with explosives, and it is gradually increasing. All questions as to seizures in the port of London. I had last year more than a thousand seizures. All the seizures are reported to me, and I have to call the Board's attention to any particular thing that may be connected therewith, and if they are questions that have to be dealt with summarily before the magistrates, the officers consult me if there is anything particular in the affair before they go before the magistrates.

22,148. Can you initiate a prosecution?—All ordinary prosecutions are conducted (unless it is large

Mr. W. H. Hinks.
27 Nov. 1888.

quantities seized) without any special directions from the Board or myself.

22,149. That is to say, do you have to decide whether a man shall be prosecuted or not?—Quite so. It does not come to me as a matter of course. If the thing is straightforward it is done, but it is reported to me immediately. A memorandum comes to me the same day, but the officer has often gone to the Court before I have known of the case.

22,150. Then in fact the surveyor, I suppose, has the power of initiating the prosecution in a perfectly obvious case?—It does not even go to the surveyor. If the matter is a straightforward one, the examining officer goes immediately to the Court when it is opened in the morning and conducts the prosecution.

22,151. Then that is reported through the surveyor to you?—Reported through the surveyor.

22,152. (*Mr. Freeman-Mitford.*) Do you reside in a Government house?—Yes, I reside in the Government house at Gravesend.

22,153. (*Chairman.*) Do you come in contact with any of the Inland Revenue officers in your work?—Not in the matter of duty.

22,154. You would not be affected in any way supposing amalgamation were decided upon?—I should think not.

22,155. (*Mr. Harvey.*) You have nothing to do with warehousing?—Nothing.

The witness withdrew.

Adjourned.

SIXTY-FOURTH DAY.

7, Whitehall Place, Westminster, S.W., Wednesday, December 5th, 1888.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

EARL BROWNLOW.
LORD LINGEN, K.C.B.
Mr. A. S. HARVEY.
Mr. R. W. HANBURY, M.P.
Mr. H. L. W. LAWSON, M.P
Mr. MACLURE, M.P.
Mr. H. WALPOLE, C.B., *Secretary.*

Sir REGINALD WELBY, K.C.B., recalled, and further examined.

Sir R. Welby, K.C.B.
5 Dec. 1888.

22,156. (*Chairman.*) The attention of the Treasury, no doubt, Sir Reginald, has been directed for many years to this question of the proposed amalgamation of the Customs and Inland Revenue, and the Commission would be very glad to hear any opinion that you have formed upon the subject?—The question of amalgamation, I should say, has never really been discussed by the Departmental Treasury. No scheme has ever been before it upon which its judgment has been elicited. But, of course, over many years we have been well aware at the Treasury that the subject was in men's minds, and many of us remember the time when it was actually in discussion in Parliament in 1862. The Report of that Committee did not recommend amalgamation, and I should say that it was not again seriously considered until, perhaps, the time when the Treasury, in consultation with the Inland Revenue and the Customs, decided to appoint that Warehousing Committee of which, no doubt, the Commission has heard a good deal in the evidence they have already taken.

22,157. Having regard to the constitution of that committee, and the results which followed from it as regards warehousing, do I understand you to mean that that has rather led to a more serious consideration of a still further amalgamation?—Yes. The idea of the Treasury in appointing the Warehousing Committee was that there were many points upon which it was essential that the Customs and Inland Revenue practice should be assimilated, and that the most practical step towards amalgamation was to approach it from the side of the warehousing regulations.

22,158. Speaking, first, of those warehousing regulations, there is absolute unity as regards the regulations now, is there not, in the form of a code?—Yes, I think I am justified in saying there is.

22,159. Do any difficulties come before the Treasury in consequence of the mode in which that code is worked by the two departments?—We have heard of a difference of view occasionally taking place between the Board of Customs and the Board of Inland Revenue in the manner in which they interpret that code, and that consequently there may be danger of divergence in practice. I have never heard myself anything that leads me to think that up to the present moment any very serious divergence has happened.

22,160. Is, or is not, the Treasury called upon to an extent that might be termed frequently to decide between conflicting explanations of the code?—I do not think so. At the same time, without going through the official correspondence, I could not state that with any positiveness. It is only very recently that the detailed official correspondence of the Customs and Inland Revenue has come before me; and I should not be able to speak with any positiveness without referring to the record of correspondence. But I think I am right in saying that there is nothing very serious that has taken place. It is rather a possible risk of the future than any serious divergence between them at present.

22,161. It is stated in a paper submitted to us by the Inland Revenue that diversities of practice have arisen owing to the instructions being interpreted by local officers of the two separate Departments, and to such an extent has this been the case, that Treasury authority has even been obtained in some instances to admit of different practices being followed?—I am aware that reference has been made to the Treasury on the subject, but I was not aware that it was a matter to be stated so strongly as that.

22,162. At all events, it is the opinion of the Treasury that, if absolute uniformity of practice could be secured in the different warehouses, it would be a desirable thing in the interests alike of economy and efficiency?—The view of the Treasury is that every effort must be made to secure that uniformity; at the same time, perhaps, I may be permitted to add that there is a method of attaining that uniformity by making arrangements for more intimate communication between the Boards on the subject without it being absolutely necessary to adopt amalgamation in order to secure it.

22,163. Still to keep to the question of warehousing, and to leave for the moment the question of the interpretation of the code, I believe considerable steps have

been taken towards lessening the number of places where duplicate establishments exist?—That has been the case.

22,164. There has been a recent correspondence, has there not, between the Treasury and the Inland Revenue and the Customs, arising out of a proposal by the Customs to take over certain bonded warehouses in London, Dublin, and Cork?—Yes.

22,165. Has that question been settled?—No, it has not been settled at the present moment, because, incidentally, along with it has arisen the question of the working of the new regulations, and also there has been a difference between the Customs and the Inland Revenue as to whether it would be right to make this transfer, leading to a suggestion upon the one side for a re-appointment of the committee. The Treasury have not made up their minds that that is a necessity. Therefore, the question is still under their consideration.

22,166. Is not the idea in that correspondence on the part of the Customs that they should take over the warehouses now under the management of the Inland Revenue which are at these important ports, and which are immediately near their own Customs warehouses?—That is the case; my recollection of the correspondence is that it has opened up the question as to what had been the Customs action with regard to certain ports, the fate of which was left in suspense at the time of the adoption of the uniform regulations, We wanted to learn what the Customs have actually done with regard to these ports.

22,167. I suppose there has been a very great economy in the warehousing establishment since the year 1882?—Very large.

22,168. Still more since 1862, of course, when the question was first mooted in a practical form?—I should say chiefly since 1882; since the report of the committee. I am not aware what took place between 1862 and 1882, but a very large economy has been effected since 1882.

22,169. Are you able to express an opinion,—I do not press it if you would rather not do so,—as to making a comparison between the economical administration of the warehouses by one Department or the other?—As far as my observation goes within the last five or six years, there has been on the side of both Departments almost an emulation in economy. I think, on the whole, that the Inland Revenue have been a singularly successful Department in administration; and if I had to give an opinion between the two Departments, I should give it, over a long period of years, rather in favour of the Inland Revenue as the most successful in securing economy and efficiency.

22,170. Confining your attention now to the state of things as it exists at the present time, is there anything in the management of the various warehouses respectively by the two Departments which would lead you to express an opinion as to their management in that way now?—Within such limited experience as I have I should doubt there being now much difference. As far as I can see, it has become a race between the two Departments.

22,171. Do you attach any importance to this emulation between the two great Revenue Departments which possibly might not exist in the case of a complete amalgamation?—Undoubtedly cases come before us in which the one department is corrected by the opinion of the other department. A rather difficult question of practice arises, we will say, in the Customs. As so much of the Excise business is of a kind more or less akin to that of the Customs, the Chancellor of the Exchequer would take the opinion of the Excise, and I think that very often results in a very valuable check. Of course I do not push that to the extent of saying that that consideration should override, or would be a good and valid argument against, a very large economy; but it is an incidental advantage of two establishments which should not be lost sight of.

22,172. (*Lord Lingen.*) Would the Chancellor of the Exchequer under any circumstances consult the Inland Revenue on a Customs question? I did not quite understand whether that was what you implied?—Yes, of course, but that would be a rare occurrence; but I think I could produce instances in which one Board has been consulted as to its practice, or as to what its decision would be upon a question somewhat akin to its own business.

22,173. (*Chairman.*) That rather leads you to the inference, I imagine, that from that point of view it might be desirable to keep the separate Boards, or a separate management of each Department, at all events, to look after the revenue?—I would simply confine myself to speaking of it as an incidental advantage which ought not to be lost sight of. I do not think it happens so often that I should venture to put that as an argument against a well-considered scheme of amalgamation under which the Government might think that both economy and efficiency might be promoted.

22,174. (*Mr. Lawson.*) May I ask, as a matter of practice, whether to your knowledge this joint advice has been taken advantage of constantly?—No, I should not say so. I have only mentioned it in answer to the direct question put by the Chairman. It is not a point upon which I should lay a great deal of stress if I were simply arguing the question of amalgamation.

22,175. (*Chairman.*) As I understand it, it is your own personal opinion, gathered from the time you have been at the Treasury, that from the public point of view it has been, and might conceivably be, advantageous to the Finance Minister of the Crown to have the opportunity of consulting two great authorities in the matters of revenue, who deal with revenue from two different points of view?—I may say that, only within the last few weeks, a paper came before me in which incidentally it was mentioned that the heads of the Treasury had been put in an advantageous position for forming an opinion upon a revenue question by what I may call the cross-fire of the two Boards.

22,176. Does that advantageous position, and the cross-fire that you speak of, apply in the Treasury generally, without going so high as to the Chancellor of the Exchequer. In the ordinary management of the departmental business connected with the finances of the country, should you say that the Treasury had found it to be an advantage to have that cross-fire existing?—I should attach a considerable amount of importance to it as an incidental advantage of the present system. I think it extremely useful for the Treasury to be able to ask the advice of the head of one Board upon a matter of practice in which the other Board is concerned; I do not mean to say to appeal to him as against the other Board, but to learn what his opinion would be, and what his course of action would be, upon a difficult point.

22,177. Now, upon the view of economy, I suppose you will probably agree with this, that, in order to substantiate the desirability of such a very large change as this would be, it would be necessary to point out that a considerable economy would result?—Certainly.

22,178. In the first place, what do you understand by amalgamation; because a great deal turns upon that?—A very great deal turns upon that, because it is very possible that you might have a nominal amalgamation without a real amalgamation. That, I take it, from all evidence and experience, for a very long period was the case after the amalgamation of the excise and stamps and taxes. I am not prepared to say that is the case now, but certainly up to within the last 10 or 15 years, I take it, the Inland Revenue people themselves would have been almost unanimous in saying that the amalgamation of those two branches was more nominal than real.

22,179. I apprehend that the view that they take now is, and the practice, in fact, of the Department is, that in reality those branches are amalgamated completely up to a certain point, but that it is still found desirable to have two or three heads at the Inland Revenue who are responsible for those various separate branches, and those separate branches only?—I think so.

22,180. Whereas the Board deals in common with all cases?—Quite so, and I take it the Board always did so. The Board were rather in the position of a minister dealing with the opinions put before him by the experts under him. What I mean is, that what took place in 1848 was the amalgamation of the Boards, and, practically, of nothing else. That I call not a complete amalgamation. I believe I am right in saying that the Inland Revenue authorities have worked of late years very sedulously at employing the officers of the two branches upon the common work of the two branches. I am not able to speak authoritatively on the subject, but my impression is that they have been very successful, and that the process of amalgamation has gone very much farther now than it had 20 years ago.

Sir R. Welby, K.C.B.

5 Dec. 1888.

22,181. Then to ask your views about the present suggested amalgamation. It has been suggested to us that it would be desirable to put the two Boards together, and to leave them to effect some large economies which are shadowed forth. Have you considered in what way that could be done?—I am very much opposed to that.

22,182. Will you give your reasons why you think that is not satisfactory?—The reason why I am opposed to it is this: it is a very important step in administration that is proposed; and I think that those who have to express an opinion upon it ought to take very little upon trust. Of course the *primâ facie* view of the Treasury must always be in favour of a scheme which promises economy; their weakness is to lean to that side. But, at the present time, it is most important that it should be satisfactorily established that a real economy would result. The authorities who are in favour of amalgamation point, and with reason, to the effect of previous amalgamations. I do not think that it would do to take too hastily that as clear proof that anything of the same kind could happen hereafter. Take the amalgamation of the stamps and taxes, which produced a saving of about 18,000*l.* a year. In 1834 the constitution of offices was very different to what it is now. Many of the old-fashioned habits and abuses of the last century were still existing. It was a very facile reform to make. I do not remember exactly what the number of Commissioners was, but the two Boards, I should think, then had about 10 or 12 Commissioners.

22,183. You are speaking of 1834 now?—Yes, of 1834. The consequence is that you might get a considerable proportion of that 18,000*l.* a year out of the mere reduction of the Board without anything more. So, again, there is a curious fact connected with that reform. I do not know whether it has struck the Commission. The Commission are probably aware of the leading figures of that amalgamation. The two different branches of the revenue cost, before amalgamation, together 123,000*l.*; after amalgamation they cost 105,000*l.*; 13 or 14 years later, when the stamps came to be amalgamated with the excise, the amalgamated branch had risen to 147,000*l.*

22,184. From 105,000*l.*?—From 105,000*l.*, or 24,000*l.* or more over the top expenditure before amalgamation. Of course I should add that the income tax had been imposed in the meantime, though the expense of the income tax at headquarters is not very large, inasmuch as the collection, as the Commissioners are aware, is given to local officers, I mention that as a thing that may be explained, but as a thing that it is very necessary to have explained when an appeal is made to the success of the old amalgamations. I have been shown a paper which the Board of Customs placed before the Commission, and I see that they state the possible saving by amalgamation at 11,000*l.* I am not aware in the paper the Inland Revenue placed before the Commission that any estimate was made, but I imagine that they would anticipate a bigger saving than 11,000*l.* From the Treasury point of view, 11,000*l.* or 12,000*l.* is a very small economy to start with. I think our general experience is that, as amalgamations and as re-organisations are being worked out, a number of claims arise not foreseen in the somewhat sanguine temperament with which great reforms are undertaken; and it may happen that such a saving as 11,000*l.* or 12,000*l.* is reduced in operation to nothing at all. Therefore I should say, on the part of the Treasury, that we should look upon a very great administrative measure of this kind, which only started with a saving of 11,000*l.* or 12,000*l.*, as requiring a most detailed scheme to be laid before us before we could express an opinion in its favour.

22,185. (*Mr. Hanbury.*) How much of that saving is due to the amalgamation of the two boards?—I think the Customs point to the saving of one commissioner.

22,186. (*Lord Lingen.*) It is only an estimate, after all?—Quite so; but I think it is based upon one commissioner being saved.

22,187. (*Chairman.*) Has it occurred to you, in the opinion you have just given, that when you come to fuze or amalgamate two departments of this sort, it is very difficult to cut down the salaries for analogous work in one department to the level of the other, but the result is to level up rather than level down?—Yes.

22,188. Does that constitute, in your mind, a real difficulty, until the whole plan is shown?—Yes; and I should like to give the Commission a single fact which has struck me, to illustrate that very point, of how easily a small economy may disappear. Of course the Commission will understand that, in these figures which I am laying before them, I am putting before them a purely *primâ facie* view. I do not say it is an objection, because, until I see the scheme, I make no objection, and I offer no objection. In the Estimates of the present year, on turning to the Excise out-door department, I find there, under the head of first class and second class officers, and assistants, rising from 50*l.* a year to 220*l.* as a maximum, that there are 3,182 officers. I take the sum that is actually asked for their payment in the current year—449,000*l.* A little way further down you will see in the Estimate certain extra payments; for instance, the assistants receive besides their salary a certain payment every day they are on duty. I have added one or two of the items of that kind; that makes 16,000*l.* a year. I find that, in round numbers, it comes up to a total for the 3,182 officers of 470,000*l.*, giving an average to each officer of this force of 149*l.* I turn to the out-door department of the Customs, and I take the Port of London, because the London officers are almost certain to be the highest paid of the class; and I find there are 1,277 officers coming under what I should call the out-door department. The top salaries are rather higher (but that applies only to a few officers) than those I have mentioned in the Inland Revenue; some of these officers rise to 300*l.* a year. I find that the average salary of those 1,277 (also adding in some extra pay) comes to 123*l.*; and here I would mention that this class of men is not, I think, the class of men with regard to whom the House of Commons is now so specially watchful. The criticisms, as I read the debates in the House of Commons, are directed rather to the higher paid officers, and a reduction of salary in the class of officers of whom I am speaking is not advocated. Supposing the effect of amalgamation were to be (I do not say it would be necessarily so) a levelling up of salaries, there would go 36,000*l.* at one stroke.

22,189. (*Lord Lingen.*) 123*l.* becomes 149*l.*?—I do not say that that is necessarily so. I do not say it would be a consequence, but what I do say is that, as far as the Treasury is concerned, we should require to have before us some very good reasons to make us believe that the distinction could be maintained.

22,190. (*Mr. Hanbury.*) Do you say then that in the Inland Revenue they give 149*l.* to a man for similar work to that for which in the Customs they only give 123*l.*?—I do not go as far as that. Those two classes of officers are out-door officers; they would have to be in some shape or other amalgamated. You must get them on to a common establishment. My own belief is that the work which is put upon the Excise out-door officers is of a more important character, and a more responsible character, than that which is put upon a great number of out-door officers in the Customs. I can imagine (I am speaking without, of course, technical knowledge) that the men who are set to watch distilleries, to observe the working of the spirit and beer regulations in breweries, and in spirit-distilling places, require more skill and more vigilance, perhaps, than the out-door officers of the Customs. But what I do say is this: that if amalgamation comes you will have to put all the officers upon a common establishment, and the agitation will be on the part of the out-door officers of the Customs to get upon the same kind of classification as their colleagues in the same department.

22,191. (*Chairman.*) That agitation already to a certain extent exists, does it not?—Yes; but not to a very notable extent.

22,192. (*Mr. Lawson.*) I am bound to say, so far as my experience goes, that it is the Excise men who say that they should be put on the same level as the Customs?—I am particularly anxious at every step to guard myself by saying this: that I am only placing before the Commission *primâ facie* criticisms which I think ought to be made before we, at the Treasury, would feel justified in giving a hearty assent to any amalgamation scheme.

22,193. (*Chairman.*) You are objecting to any amalgamation proposals which do not show in detail the matter in which the proposed economies would be effected right through the staff from the Board downwards?—Yes. On that I express a most decided opinion.

22,194. (*Mr. Lawson.*) Do you think that the great majority of the men in the Customs, who comprise the

out-door officer class, do work that can be compared with what is done in the Excise?—I have already said that I think, without having technical knowledge on the subject, that the Excise out-door department have what I should call more responsible work. But when you come to put the two classes of out-door officers on the same establishment, there would be agitation, which it may be difficult to resist, on the part of the out-door officers to be raised.

22,195. I do not think the comparison is quite fair, because if you look at the Excise and the Inland Revenue, you will find the two greatest figures are for officers of the first and second class, numbering 1,400 and 1,000 roughly; then at the Customs the biggest figures for the Port of London are what they call out-door officers, first and second class; they are both, as I understand, doing very much the same work, or intended to do work of the same character; do you think those can be compared?—They form the out-door officers. We know of old times how men doing inferior duties, when they are brought on to a Government staff, have obtained advantages which they would not have obtained otherwise. I think I may appeal to Lord Lingen's recollection upon one point: when the Post Office and Telegraph service beat Mr. Fawcett (I use the words advisedly), the opinion of a great many people was that a number of men not doing very responsible work, in consequence of agitation, and claiming to be put upon an even footing with other Government officers in the Post Office, got a great deal more than would have been given them in a private establishment.

22,196. (*Chairman.*) Your general argument is this (without pressing you upon any detail as to a particular class of officers), that you assert most emphatically that until the details of the proposed amalgamation can be shown, satisfactorily classifying the various officers without a process of levelling up going on, the Treasury would not feel itself justified, as far as they are concerned, in sanctioning a scheme of amalgamation?—Of course I speak of the departmental Treasury, and the form in which they deal with it, that is my most distinct opinion. I understand the difficulty on the part of the departments in putting forward a scheme of amalgamation, and of course it is a question whether a scheme of this kind ought to be published beforehand. I understand that is a practical difficulty, because if a department were to put forward a scheme of amalgamation which would touch the interests of the officers, or what the officers should consider their interests, it would be tempting beforehand an agitation which I quite understand a department is unwilling to incur; and therefore it would be a question whether the scheme is one which would be actually put into print, and put into everbody's hands; but that a scheme ought to be put forward I feel quite clear.

22,197. (*Mr. Harvey.*) And the advantageous result must be very considerable to counterbalance that evil, must it not?—I think so.

22,198. (*Mr. Lawson.*) Possible evil from Parliamentary pressure again?—Certainly. Of course the fact of bringing the Customs and Inland Revenue staff into one body increases the force which can exercise Parliamentary pressure.

22,199. A scheme for levelling up would not come from within, it would come from without the service; it would not be proposed in the departments, it would be proposed in Parliament by some private member, we will say, that is your fear, is it not?—That would take place which took place in the Post Office, namely, the agitation became so great that the Postmaster-General was obliged to represent to the Treasury that unless considerable concessions were made they would simply be beaten in Parliament. Members of Parliament who are on the present Commission may recollect a very serious agitation of this kind in the Excise. It was brought forward in Parliament. I can only state my recollection that it was thought a most serious matter, and a question at one time whether the Government would not be beaten upon it.

22,200. (*Mr. Hanbury.*) When was that?—Lord Lingen will remember the year, probably, better than I do; about 1882 or 1883.

22,201. (*Chairman.*) Then leaving, so far as I am concerned, at present the question of future economy (I think I understand the view you take of that), have you anything to say upon the subject of the collection of the revenue; *primâ facie* the Treasury would naturally be in favour of any scheme which would improve the collection of the revenue. Do you think there are any reasons in favour of amalgamation to be derived from that argument?—I will repeat what I have said before. Going over a long period of years, I think the Inland Revenue have been a very successful administering department; and I should incline to think that if the amalgamation took place, as regards collection of the revenue, it would probably tend to improvement rather than otherwise.

22,202. Then may I ask you if you have formed any views about the possible difficulties which might ensue from the creation of one large revenue department—one chairman, presumably, of the whole amalgamated Board or amalgamated management, whatever form it might take, and having the whole revenue of the country to administer; from the Treasury point of view do you think that would be satisfactory?—In answering your question upon that, I must ask you to take it as purely my own personal opinion. In what I have been saying as yet I have been endeavouring to represent what would be the ordinary view of the departmental Treasury upon proposals of this kind. Personally, I think that the amalgamation of the Customs and Inland Revenue should present a very large and distinct economy: something that will show to the public a saving sufficient to override many minor objections before it is adopted. One point upon which, within my experience, I think that there is an objection to the amalgamation in itself is, that I do not like to see the few experts that are round the Chancellor of the Exchequer reduced in number. For a large number of years now I have been generally present at the Budget discussions, and certainly the experience that I have gained from that is, that the Chancellor of the Exchequer generally has rather too few than too many advisers, especially upon the subjects connected with taxation. The Commission will observe that in subjects connected with taxation it is almost impossible for the Chancellor of the Exchequer to go outside a few very responsible officers. It is almost impossible for him to take advice in the outside world, because there are very few people who are experts enough for their opinion to be of value; and next the consultation of irresponsible persons might lead to rumours getting about which a Chancellor of the Exchequer would desire to avoid. At present the Chancellor of the Exchequer has only two responsible officers in matters of taxation to look to, namely, the Chairman of the Board of Customs and the Chairman of the Board of Inland Revenue. I do not think those are too many, and that in some shape or other they ought to be replaced to him, and that it should not be reduced to the mere question of one officer representing the whole field of taxation.

22,203. (*Lord Lingen.*) It would be also true, I suppose, that in addition to those principal officers, very often, if it was a question of stamps, the head of the Stamp Department would come with the Chairman of Inland Revenue to answer any questions that might be necessary, or one of the members of the Board, like Mr. Adam Young, would have come with his chief to answer any questions that might be raised on those parts of the administration that he was most conversant with?—Quite so; of course the technical officer is constantly called in; but, as a general rule, the early and important discussions take place with the responsible officers, that is to say the head officers. I do not say that it is an absolute necessity by any means; I say that, according to my experience, those advisers are not too many now. Take the principle of our government. The responsible government is conducted by men who are approved by Parliament, and who are put at the head of great departments without any special knowledge of the work of those departments. They are put there because they have approved themselves in the greatest competition that exists anywhere to be competent Parliamentary leaders. The Secretary of State for War and the First Lord of the Admiralty are in the position of officers without technical knowledge, who decide from their general knowledge upon the questions as explained and put before them by experts. I think the result of the system shows that the able and common-sense man put at the head of a department corrects and decides upon the opinion of his experts with very great success. The same thing applies in many cases to the Chancellor of the Exchequer. He often comes to the Exchequer without having made finance a special study. It appears to me most important then, that he shall have at hand thoroughly competent and responsible experts to place the facts before him. If those are properly placed before him

Sir R. Welby, K.C.B.

5 Dec. 1888.

and properly explained, he is well fitted to decide on the financial policy to be adopted, and to carry it through Parliament. But let him have inefficient or insufficient advisers there, and then the country suffers, the Parliamentary party suffers, and the service suffers. Of course it is impossible for me to say that it is essential that there should be two chairmen of boards, and that mischief will happen if there is one chairman, and that it will not happen if there are two. I only confine myself to saying that the Chancellor of the Exchequer, in my experience, getting on for 20 years, of these Budget discussions, has not too many advisers in ordinary circumstances upon the questions of taxation.

22,204. (*Mr. Harvey.*) You think two minds are better than one?—Yes.

22,205. (*Lord Lingen.*) You draw a distinction between the present chairmen who, in the daily administration, do not do much more than act as a court of appeal. You draw a distinction between them and any man, however highly placed, who was plunged into the daily administration, that they can take a wider and better view, and become better advisers?—I do, because I think that the organization of the service ought to be so formed that the highly paid and responsible men are the real advisers. Of course we are perfectly aware that the public service does not come to an end if there is no political government. The public offices can carry on the business, but nobody would admit, because that can happen, it would be a good state of things. In like manner, supposing there are incompetent or broken down heads of the big departments, you can carry on the service, you can consult the subordinates, but that is not an organization at which you ought to aim.

22,206. (*Lord Lingen.*) You would not put the heads of branches, however highly placed and however able, on the same footing for utility as advisers, as you would put men in the position of the present chairmen of the two Boards?—No, I should not.

22,207. (*Mr. Hanbury.*) Because, I suppose there is a great advantage in having these two advisers perfectly independent of one another?—Of course they are independent critics of schemes put forward.

22,208. (*Mr. Lawson.*) Is your opinion based upon theory or upon actual experience?—The Chancellor of the Exchequer, within my experience, might on various occasions have had with advantage more advisers.

22,209. In some cases, have you not known the vice-chairmen take up the position of financial advisers who would be able, in any case, to do so whether there were two chairmen of the Customs and Inland Revenue or not?—That happens, and of course must happen. The vice-chairman very often is a very capable man, but what I repeat is that the organization ought to provide that the head men are the responsible men, and the proper advisers. I am apprehensive as to reducing the number of men who, being the responsible men, are in a position, or ought to be in a position, to give a general study to those most important subjects, which go home to everybody. An ill-devised or an ill-carried out tax hits everybody, and there is no department in which it is more important that the responsible minister should act upon the very best information.

22,210. (*Lord Lingen.*) I rather gather from your evidence that you do not think that there is any such improvement in prospect as urgently calls for the change in the present system?—I would not go so far as that; if I had reason to believe, or if evidence is brought forward to show, that a very great economy would be effected. I am not in a position at the present time to say that an economy of that kind can be effected, but I will answer the question by saying that I should be opposed to amalgamation unless a very considerable economy could be effected thereby.

22,211. And that, demonstrated in a much more particular manner than has yet been the case?—Than has yet been the case, within my knowledge.

22,212. As between these two boards there have been two great and obvious branches of financial policy, one raising the revenue from the subject at home, and the other raising revenue from imported goods. Those would be the clear branches of distinction for which you would want separate advisers for the Chancellor of the Exchequer. Is that so?—I was rather representing that I thought it desirable that the Chancellor of the Exchequer should not have fewer advisers on the subject of taxation than he has at present.

22,213. At present he is advised by the two permanent officers who have in their experience those two great branches of taxation?—Quite so.

22,214. I do not want to start that as another hare, but merely to mention it in passing. Disregarding that distinction of the Customs and Inland Revenue, you might take another distinction, of goods on the one hand, whether at home or imported from abroad, and stamps and taxes on the other. That would be another view of the subject which might be taken, but still would leave two heads?—It is starting a new hare. That, I confess, if the Government were in a position to consider this matter afresh, is the division which I for one should advocate.

22,215. I will leave that point for a moment. I daresay we shall come to it again in your evidence, and I will go to certain subsidiary departments which are more or less the same for the two. Now, warehouses may be said to have been practically amalgamated?—Yes.

22,216. Supposing, not what you could call an heroic, but a considerable, economy, might be shown in a single solicitor's department—that is a minor matter—should you be willing to entertain that, and to think that, if a case of definite economy by abolitions and consolidations could be shown, that that was a question that might properly be raised?—Yes, I think that would be a very fair question. You are aware that, under the present arrangement, the solicitors of different departments have been abolished, and their duties entrusted to one single solicitor, who goes by the name of the Treasury Solicitor, but might much more truly be described as the Solicitor of the Whitehall Departments. At the same time, a great deal would depend upon it being shown that a real economy would result from the change proposed. I am under the impression that the two solicitors, responsible as they are for tax legislation and for the legal administration of two large departments, are very fully employed. I should think the Solicitor of the Inland Revenue was very fully employed. At the Customs, as we are all aware, there is much less legislation on taxation. But even with regard to customs, every year some duties are put upon them which give a fair amount of work to the solicitor. My mind goes back to a time when, if there had been only one solicitor for the Customs and Inland Revenue, there would have been a very great pressure upon him. I forget the exact year, but I am referring to a time when Mr. Gladstone was Chancellor of the Exchequer, when there was a good deal of Inland Revenue business, and when, according to my recollection, it was also a very heavy time indeed for the Customs, namely, the time of the American war, and when almost daily references of a most important character were being made to the Customs Solicitor on the subject of vessels suspected under the Foreign Enlistment Act.

22,217. I wanted chiefly to raise this point—that there is a certain amount of work, although different in its detail, which, on the whole, is the same in its character: for instance, warehousing work; and now we have come to legal work, which both departments have got to do, and therefore, quite apart from the policy of retaining advisers for the Chancellor of the Exchequer, a question might arise of unifying what you may call those neutral branches?—Yes.

22,218. Perhaps the Accountant's Branch would be open to the same consideration?—As to the Accountant's Branch, I should have Mr. Harvey's assent. The Accountant's Branch is really only a branch of record, and if it is thought desirable, and if economy could be effected, one branch could, perhaps, record the facts of the two departments.

22,219. I do not want to press these points, but only to point out that there is a field of common administration (it may not be so completely common as the warehousing is) in which these questions of what I may call subordinate amalgamation may be fairly raised. Again, I would say, on the question whether a single department of statistics ought not to serve both boards, that the Inland Revenue now collect the agricultural statistics. I do not know whether they do anything with those statistics?—I believe that it is a mere question of collecting and handing them forward. It is not like the Statistical Branch of the Customs, which not only collects statistics for the Board of Trade, but classifies.

22,220. And digests?—And digests.

22,221. But still a question might arise whether, if we were consolidating these departments, the Inland

Revenue officers might not digest all these statistics in a common department?—Quite so. I think you would find that the Inland Revenue do very little statistical work. I think the only statistics they really collect are collected in the Accountant-General's branch under the superintendence of the Accountant-General. It has been a question in my mind whether the Inland Revenue turn their attention sufficiently to the statistics of their department.

22,222. Then we might perhaps say that as the warehouses have been consolidated without infringing upon the special character of either of the boards, so it is open to consideration whether the departments of the Accountant, the Solicitor, and the Statistical Department might not also undergo some consolidation?—Always provided that you can show a sufficient saving to justify it, certainly, I think, that is a most fair subject for consideration.

22,223. Supposing that consolidation to that extent, or to some extent, commended itself, and could be proved by a reasonable expectation of economy, those common departments would imply a common control and a common action by the boards. Should you see any advantage in retaining two boards, perhaps in diminished numbers, a chairman and a vice-chairman, instead of a board to each if at certain stated periods those two boards met, and with respect to any departments that have been consolidated, and for any matters that were thought to concern the two boards, they discussed such questions as those once a week, or once a fortnight, or once a month, or whatever might be thought convenient intervals?—My view would be that amalgamation is not the necessary remedy for such a divergence of opinion. That object ought to be gained, or ought to be gainable, by such meeting of the boards, or sections of the boards, as would ensure the removal of those divergencies.

22,224. Supposing that these boards each consisted of two officers, a chairman and a deputy-chairman, should you think it worthy of consideration whether at those meetings some officer representing the Treasury—we will say the Financial Secretary—one of the parliamentary officers representing the Treasury, was *ex officio* chairman of those boards?—You raise a very important question. Supposing amalgamation were carried out, the chairman of the one board would almost be, in my mind, too big for a civil servant. It would be a very great post indeed, and I anticipate a desire to place an independent minister at the head of that department, thereby displacing the Chancellor of the Exchequer from being Finance Minister. I think that quite out of the question, though such a thing has been mentioned in Parliament. If amalgamation is effected, I should wish to see the head of the board a civil servant, but brought into somewhat closer touch in administration with his political chief by the association, if it could be arranged, with him of the Financial Secretary to the Treasury. If the two departments are retained, I think there is a good deal in what you suggest, namely, that the Financial Secretary of the Treasury, who is one of the foremost ministers out of the Cabinet, but who is the especial lieutenant of the Chancellor of the Exchequer, should preside at a meeting of the boards.

22,225. I am only thinking at this moment that, supposing the consolidation of the departments up to a certain point, and by degrees, were carried out between the two boards, and supposing from that consolidation you wanted the two boards united, their individuality remaining as it is now, but for these common purposes you wanted them united, then, as they must have a chairman of some sort, would it not be a convenient arrangement, *ad interim*, at any rate, that that chairman should be the Financial Secretary to the Treasury?—Yes, I should rather like to see such an arrangement.

22,226. (*Mr. Hanbury.*) You spoke of certain uniform regulations applicable to both these departments which were differently interpreted by the two departments, and I think you said that the two boards ought to meet and agree as to how these were to be interpreted; do they meet as a matter of fact?—No, I believe they do not.

22,227. Is there any high authority to make them meet, and insist on a common interpretation?—I believe that the members of the board have met and considered questions of divergency of opinion; but I am not aware of any regulation under which they are compelled to meet.

22,228. Have the Treasury at the present moment any power to insist, in a case like this, upon an uniform interpretation by two departments so closely connected?—Yes, I should say they have.

22,229. (*Mr. Harvey.*) That is, they could request the chairmen of the two boards to meet and confer?—Quite so.

22,230. (*Mr Hanbury.*) Mr. Gladstone gave us some evidence the other day as to the question of the administration of these departments by boards. Have you any idea upon this subject; do you think it is an advantage to the public service to have these departments administered by boards, or by one responsible minister?—Of course I have been speaking on the subject of the Chancellor of the Exchequer's advisers. So far as that argument goes, my point would be met by a controller—we will say a single head—which I think is the French system. There are two advantages which I see in a board; one is, if the members of the board are carefully selected as active men who really will work, they can do good service in inspecting the country establishments, so that the local officers shall be acquainted with their chiefs, and should know that their work is from time to time inspected by them. I think there is a great usefulness in that; but then, of course a great deal of that usefulness depends upon the care with which the members of the board are selected. If the boards are carelessly selected, I would sooner sweep them away at once. There is a minor advantage, but it is an undoubted advantage. A decision stated to be made by a board is accepted, I cannot tell you why, but it is accepted with greater readiness than a decision by a single person.

22,231. Accepted by whom?—By the public; I cannot tell you why, but that is the case.

22,232. Do not you think it tends to an undue division of ultimate responsibility?—No, because the chairman, as a matter of fact, has the real power. The other members of the board cannot stand out against the chairman; he really is autocratic.

22,233. (*Chairman*) Then, if there is a chairman and vice-chairman, or controller or deputy controller, of either the Inland Revenue or Customs, why should not they call themselves a board; why should not the decisions be sent out in the same manner as are the decisions of the Lords of the Treasury?—There is a board of the Treasury.

22,234. But the Board of Treasury never sits?—No, but still they are existing. It would probably meet my point if you said that the two men might call themselves the board.

22,235. (*Mr. Lawson.*) As a matter of fact, the President of the Board of Trade calls himself a board?—There is a board, but they never meet. As far as the matter of fact goes, there are a certain number of persons who might be summoned together.

22,236. (*Mr. Hanbury.*) Apart from that question altogether, and whether these departments are administered by two boards or not, you think it is a distinct advantage to the Chancellor of the Exchequer to have advisers, neither of whom is subordinate to the other, and who are independent of one another, and can express their unbiassed opinions?—That is my view.

22,237. Of course that would not be the case if the two departments were amalgamated?—Not to that extent.

22,238. Clearly not, because one would be subordinate to the other?—Yes.

22,239. You have said, I think, that you fear there would be a tendency, if these two departments were amalgamated, for the chairman of so large a department to have too much of his time taken up by purely administrative office work?—That is my view.

22,240. The Chairman of the Inland Revenue, I think, told us that one of the advantages of an amalgamation would be, not a reduction, I think, of one commissioner by an amalgamation of the boards, but by the abolition of two or three; but, I suppose, it is a fact that, if there is sufficient work for the whole of the present commissioners, their work would still have to be done by somebody else under some other name in future?—Clearly so. I should have thought that, with the boards reduced as they are now there was ample work for them. Not very long ago the Chairman of the Board of Customs was seriously ill, and I know personally the great pressure that was put upon the remaining two members of the board, because just at that moment they had to carry out the Merchandise Marks Act, which threw a very great deal of

Sir R. Welby, K.C.B.

5 Dec. 1888.

daily work upon them. I should doubt very much, as long as you keep a board at all, whether there would be any advantage in reducing the numbers, for I do lay stress upon this, that these persons who form the supreme authority of the department should visit the outports, and see for themselves, and hear on the spot, how business is being carried on.

22,241. (*Mr. Lawson.*) How do you propose to change what you think is an evil in the present administration, that the chairmen do actually occupy themselves too much with detail, and not sufficiently with the general view of things?—I do not think it is possible to lay down rules to secure that end, because it must depend so much upon the individual. I can only say, that putting a great deal of fresh work upon the present responsible head is likely to diminish his power rather than increase it.

22,242. I gather that it is the tradition of the office, and, from what you said, that it did not apply to the particular individuals who filled the post of chairman. Does it not seem to you that, if the duties are made so much larger, as they would be by amalgamation, in the case of a single chairman, he would find it absolutely impossible, as in the case of very great private firms, to go into the details, and that he would be obliged to confine himself merely to the general supervision?—Yes, I think he would undoubtedly be obliged to depute some of his present work to other people, but that would be replaced by important work of supervision coming from the other branch. I do not think you would find that it would give him opportunity of making for himself the leisure for a general consideration of those questions.

22,243. Would not the chairman of the amalgamated Board of Revenue be able to take a more complete view of the whole status of the whole interests of the revenue than he can now, when he only sees it from one side?—Yes, I think that may be fairly put, but it is not an argument that I should rely upon myself, because one's experience generally is, that giving a man a very large addition to his work (the daily work of administration is sure to come to him on appeal, if he is the head, the officers under him are sure to bring all the difficult cases to him to decide) would leave him less opportunity for what I call the general consideration of matters.

22,244. In the present system we have heard a good deal about the injurious effects of competition between the two branches of the revenue in subordinate departments—warehousing, for example. May there not be the same sort of effect in the case of the two heads being in constant competition? Do they not rather take a partial view than a national view?—I have never seen that. I would not put this argument forward as a ground against a good scheme of amalgamation; but I think, as a rule, that it is rather a wholesome competition than otherwise. But I must not rely too much on that point. I remember Mr. Holmes telling me once of some warehouse which he visited as chairman of that committee, where the Customs officer lived on one side and the Inland Revenue officer on the other, with only a partition between them, and they had not, as far as he could learn, looked at each others regulations. I do not call that a very wholesome competition.

22,245. You said, in answer to Lord Lingen, that the Inland Revenue did not collect statistics; of course, they do in regard to corn averages, do they not?—Yes, they collect those statistics, and they collect also the agricultural statistics; but these statistics, I think, are only handed over to another department.

22,246. (*Chairman.*) They have no statistical department?—They have no statistical department.

22,247. (*Mr. Lawson.*) There is no reason why, as has been pointed out to us, the statistical work of the Customs should not be conducted in the same way as that of the Inland Revenue, by the information being sent straight up to the office where the returns are ultimately used?—That, of course, might be done. I think the Commission would require to hear the reasons somewhat more at length than I could give them for and against. Several years ago, I remember a committee, presided over by Mr. Childers, on statistics, and I think, the conclusion at which the majority of that committee arrived was, that on the whole, it was more economical to let the Customs' statistics be digested at the Customs house here, than to have them digested at the Board of Trade. The Treasury have apprehension as to the creating of big statistical departments, because there is no limit to the growth of a department that lives entirely on and for the purpose of collecting statistics.

22,248. Of course, statistics are collected, not with regard to a department, but for public use and convenience. Do you think, as a matter of fact, that the present system is advantageous to the public, because it seemed from evidence that we have heard, that there are not adequate means of testing statistics in the Customs at the present time?—I prefer the present system; but I prefer it, chiefly speaking, from the Treasury point of view. I look with a great deal of apprehension to a big statistical department, because I am sure it would be a very expensive one.

22,249. As a matter of fact, the gentleman who at present arranges the statistics, and draws his deductions from them, is not able, or is very rarely able, to get at the material out of which they are compiled?—I do not know that I should admit that point. It is possible that if the raw material of the statistics went to Mr. Giffen he would be able to look out for himself the things which perhaps he now sends down to the Customs for. The digestion in the Customs is not of a very recondite kind. It would have to be made somewhere, and a portion of it is necessarily Customs work.

22,250. You use the word "digested"; are they really digested by the Customs?—Yes; they are, I should say.

22,251. The results of the statistics they collect are left to the Board of Trade?—Any use of those statistics is left to the Board of Trade.

22,252. In the case of the Inland Revenue and Agricultural Returns, it is not done?—In regard to these returns the Inland Revenue is merely a transmitting office.

22,253. Have you formed any opinion with regard to the commercial view upon amalgamation, has that come under your notice?—I have not seen any complaints addressed to the Treasury which will enable me to form an opinion.

22,254. (*Mr. Harvey.*) So, that from the standpoint of convenience of the merchant, you have no reason to think that the merchant is dissatisfied with the present system?—I can only speak within my actual knowledge. It is not a very long time now since these Customs and Inland Revenue papers first came before me, and therefore possibly I speak without sufficient information, but no papers have come before me which I should call complaints from the trade, and which could only be met by amalgamation.

22,255. Do you think the Treasury are in a better position to resist the tendency to level up salaries with distinct departments than if there were one amalgamated board?—I think so.

22,256. Now as to this question of what duties go to the Chancellor of the Exchequer. Take, now, the case of a proposed alteration of the stamp laws, which would very likely affect the commercial community of London, might we take it that the Chancellor would expect to get help from the Board of Inland Revenue as to the probable view with which such suggested alterations would be regarded in the city?—I should think so; he can get it from nobody else.

22,257. And that it would be in his view the business of the chairman of the Board of Inland Revenue, so far as he could, to keep himself in touch with opinion on that matter?—It would be his duty to lay the facts before the Chancellor of the Exchequer. Supposing the Chancellor of the Exchequer should say, now, I want to go into this question, and I want to have all the facts before me, I consider that the Chancellor of the Exchequer has got a right to expect from the Chairman of the Inland Revenue, not only the traditional information possessed by the department, but good information as to what the effect of that proposal would be, and an intimation as to what would be the objections, and the value of the objections, likely to be raised by persons who would suffer by the tax.

22,258. Which views, I suppose, the Chairman of the Board of Inland Revenue could only ascertain by actual personal inquiry?—Quite so; and I need hardly point out what an important point that is, what mischief might take place, if such inquiry is made by anyone but the supreme and most responsible officer.

22,259. Of course, such inquiries being in aid of suggested legislation, are necessarily of the most confidential character?—Quite so.

22,260. To put it shortly as to those questions of revenue, or as to points of advice that a Chancellor might seek on questions of revenue, which would concern both the chairman of the Board of Customs and the chairman of the Board of Inland Revenue, you think that the possible conflict of opinion between them would actually help the Chancellor; that is to say, that out of the possible conflict between those two, he would be more likely to get at the truth than if there were only one officer who embodied in himself all the traditions?—I think so. I think there is a great deal of sense in an argument put forward by one of the French financial writers of this century, in which he advocated the formation of a kind of council of finance, and I believe that to be the form of the French finance department now. There are no boards, but there is a director of indirect contributions, a director of direct contributions, a director of the douane, and a director of the government manufactures, like tobacco and salt, and so forth, and these officers are officers of the treasury; but, as I understand it, they are only heads of sections of the treasury for the purpose of being present as councillors to the finance minister. Otherwise they have large departments under them just like our revenue departments. I am not suggesting such an organisation, but it appeared to me that that organisation is a sensible organisation; you have four or five experts in their different lines there, who are at hand to come and explain matters, and to answer the questions of the responsible minister.

22,261. In your view, supposing an amalgamation were determined upon and carried out, would it be advantageous if the post of chairman were given to any other than a civil servant?—Yes, I think it would; I myself think that there is a great advantage, and has been a great advantage, in bringing in Parliamentary men, provided always that you take a man of sufficient Parliamentary standing who will take to the Civil Service as a profession. The great danger is that you may get a man of sufficient Parliamentary standing, but who is only going to take it as a form of pension.

Sir R. Welby, K.C.B.

5 Dec. 1888.

22,262. Would that, in your view, be one argument, as far as it went, against amalgamation, that the post would be so big that it might, in fact, be made a position for the exercise of patronage?—It would be.

22,263. And that, of course, you would deprecate?—I deprecate it. One of the best chairmen, for instance, we had was John Wood. John Wood's name still lives in the memory of the Civil Service as a very capable head of the Inland Revenue. That was a case in which, I believe, a man was taken out of the Parliamentary ranks with the greatest advantage to the public service.

22,264. Still looking at the question as one of general practice and system, would you prefer that the head of the amalgamated department, supposing the amalgamation were carried out, should be a civil servant, or should be selected generally?—Of course I should like to see the fittest man selected, whether he is a civil servant or not. I would have it open to the civil servant, and if there is a thoroughly capable civil servant eligible, I should like to see him have it. But I do not advocate making the heads of the great offices a close corporation, giving civil servants a right to look to those posts as a matter of course.

22,265. (*Chairman.*) Is there any point that occurs to you arising out of the examination or otherwise, that you would like to add?—I should like to end by saying that I feel rather bound to appear before them as a kind of Devil's advocate, that is to say, to put before them a critical view of amalgamations. While I am naming points upon which I think any persons who have to form an opinion as to amalgamation should be satisfied, I am very far from saying that such a scheme of an economical and efficient department may not be devised as would overcome the objections which should be considered as countervailing, and in some shape as compensating, the advantages expected from amalgamation.

The witness withdrew.

Sir WILLIAM H. MELVILL called and examined.

22,266. (*Chairman.*) I believe you are the solicitor of the Inland Revenue?—I am.

22,267. You have been good enough to send us a memorandum upon the legal aspect of the question of amalgamation?—I prepared it for Sir Algernon West without reference to the fact that it would be handed in here. He asked me for some assistance in the shape of a memorandum upon the legal aspect of the question, and I prepared that for him.

22,268. But you have no objection to its being made use of by us?—Not the slightest.

22,269. Have you prepared any other statement, or shall I ask you one or two questions upon that?—I have prepared rather a note of a statement, which I should like to make to the Commission, with your permission.

22,270. I think that would be a convenient plan?—It seems to me that I should present the subject to the Commission in two aspects. 1st. The advantages which have resulted from the amalgamations which have taken place in past years. 2nd. The advantages to be anticipated if there were an amalgamation of the Customs and Inland Revenue. As to the advantages which have resulted, they are advantages to the Chancellor of the Exchequer in formulating his budget, and carrying his proposals into effect, to the revenue receipts, to the taxpayer, and to the administration. I do not propose, in dealing with the subject in this aspect, to go beyond my own experience, which is now nearly 23 years as solicitor of the Inland Revenue, save to mention that Excise licenses took the place of assessed taxes in the case of Game Certificates in 1860—I am dealing now with reference to the advantages of the amalgamation of Excise and stamps and taxes. The stamp licenses for trades required to be taken out by appraisers, pawnbrokers, plate dealers, medicine vendors, and others were transferred to the Excise in 1864 with great advantage to the revenue, and readily and with total absence of friction, in consequence of the amalgamation which had taken place.

22,271. You are now speaking of the whole question of amalgamation apart from the legal department?—This is apart from the legal department.

22,272. I think I should like to ask you to confine yourself, in the first instance, to the legal department?—I am obliged at the same time to deal with it generally before I get to the legal department. I should perhaps make a statement without reference to any paper as respects the legal department. Let me deal with the question in the first year, 1867. The Commission will remember the great dog scare. The Chancellor of the Exchequer then asked what would be the best mode of dealing with the question of dogs. The mode in which it was dealt with was this. As you are aware, the tax upon dogs was by reference to the dogs which were kept in the year before. It was transferred to the Excise, and what was the result in consequence of this transfer to the Excise? The dog duty was reduced from 12*s.* to 5*s.*; the revenue was exactly the same, or rather beyond what it had been when the duty was 12*s.* The number of dogs was reduced, but still there was the advantage accruing from amalgamation.

Sir W. H. Melvill.

22,273. That is very interesting, but at the same time it does not bear upon the question upon which we want immediately to have the advantage of your opinion, which is how far, from the legal point of view, the amalgamation of the Customs and the Inland Revenue is desirable: I do not understand that this amalgamation of which you have been speaking, was necessarily done from a legal point of view; it was rather from the Chancellor of the Exchequer's point of view, was it not—the general point of view?—Excuse me, what I meant was this. The carrying out of the budget scheme rests with the legal departments, and with the legal department over which I preside in particular. As you know, the budget schemes have to be formulated with immense rapidity. You get, perhaps, only 24 hours' notice, and it would be impossible, if you had communications between two departments, to carry out the Chancellor of the Exchequer's scheme.

22,274. If you had what?—If you had inter-communication between two departments it would be impossible, within the time, to get resolutions drawn. That has always been found an extreme difficulty even in connexion with the Customs. It would have been insuperable in the case to which I was referring of the

Sir W. H. Melvill.

5 Dec. 1888.

dogs, and also in the establishment license case, it would be an insuperable difficulty, and that is why I was dealing with it, and was dealing with it really in a legal aspect, though I quite understand the Chairman's interruption.

22,275. The immediate question before us is not the amalgamation of the Stamps and Excise and Taxes; that is a *fait accompli* for evil or for good; but now we want to deal with the question of the further amalgamation of the Customs and Inland Revenue only. Granted that, *primâ facie*, there is a desirable case for it, we are anxious to know how, from your point of view as solicitor to the Inland Revenue, it would be an advantage to the public, as far as you can see, to amalgamate the boards, and have one solicitor's office under one highly responsible legal officer for the two departments. Perhaps I should first ask you what is the work which you have to do. You have an assistant solicitor, have you not?—I have one assistant solicitor.

22,276. Your department is set out in the Estimates. I see you have four chief clerks?—Yes, one of whom is my clerk-assistant.

22,277. The memorandum you have been good enough to send us will be very useful, but I do not understand you to say that you would be able to undertake all the work from the Customs, so far as you are familiar with it, without an increase of staff?—I do not think it would require an increase of staff.

22,278. You think not?—I think not. Not beyond an increase which we are at present asking for without any relation to amalgamation.

22,279. You have already a very large staff?—Very large.

22,280. And you have had a very large amount of work?—Yes.

22,281. I am not at all saying that the staff is not apportioned to the work. Can you deal in a practical way with the work that might come to you as the solitary legal adviser, the sole responsible head of an amalgamated board?—Only so far as the Customs' duties are concerned, I presume you mean.

22,282. So far as concerns the work that is done by the Solicitor's Department of the Customs?—Yes.

22,283. Are you prepared to say that you think your office could undertake it without any further increase of staff than that which you are asking for under any circumstances?—I think so. Probably it would be necessary, in the first instance, that one of the present staff of the Customs solicitor's office should be attached to us, bringing his special knowledge to us.

22,284. Have you instances in which the same case is advised upon by yourself and by the chief solicitor to the Customs?—Yes. I have this last week joined with him in giving a joint opinion.

22,285. Is there any advantage, in your view, in this joint opinion, looking at it from the public point of view; or is there any disadvantage in the fact of having to consult two legal advisers upon matters which are practically the same?—The question arose under the Merchandise Marks Act, and it was whether British goods in a warehouse were subject at all to the Merchandise Marks Act. You have been, I have no doubt, informed a great deal as to the warehousing system. There are British goods and foreign goods which are indiscriminately in Excise and Customs warehouses. The solicitor to the Customs had advised that by analogy to certain functions thrown upon the Commissioners of Customs by the Merchandise Marks Act, their function extended during the whole time that the Customs goods were in warehouse. Now, inasmuch as under the Merchandise Marks Act there are no functions imposed upon the Commissioners of the Inland Revenue, it is plain, therefore, that though the provisions of the Merchandise Marks Act might extend to Customs goods in Customs warehouses, they could not extend to Excise goods in Customs warehouses, or to any goods in Excise warehouses. That was the question upon which we were asked to consult together and report to the two Boards.

22,286. Supposing a similar case were to come up to an amalgamated board, do you think there would be any advantage in having one legal department?—I think there would be one officer giving one opinion, and probably he would have given that opinion by relation to both classes of goods, and both classes of warehouses, in the first instance—he would have taken a larger view.

22,287. It would have been his duty to know all the legal aspects of both Customs and Inland Revenue work?—That is the point.

22,288. As regards the preparation of legislation for Parliament—I mean the annual Customs and Inland Revenue Bill—is there a co-ordinate responsibility so to speak between you and the solicitor of the Customs with reference to that Bill?—The Chancellor of the Exchequer always looks upon me as responsible.

22,289. As principally responsible for that Bill?—Yes. I prepare the resolutions and hand the resolutions to him, with the exception, I may say, of the tea resolution; that has been the annual Customs resolution for 23 years, with the exception, I think, of alterations in the tobacco duties, and of the wine resolution of this year.

22,290. (*Mr. Harvey.*) The tea duty is still an annual duty, is not it?—An annual duty, which runs from August.

22,291. (*Chairman.*) That Bill is presented from a legal point of view on the joint responsibility of yourself and the solicitor to the Customs, is not it?—A great number of the Budget Bills during my time—I think it is eight or nine—have had nothing relating to the Customs but the imposition of the tea duty. There have been cases in which small amendments in the law have been made in the Budget Bill by the Customs, and as I say, there was the imposition of the bottled wine duty this year. You may take it, however, that it bears but a very small proportion to the Inland Revenue legislation in the Budget. I may add that the solicitor to the Customs always passes that legislation through me, and I take upon myself, though of course in substance I would not think of altering it, to make it read as if it came out of the same *officina* as the rest of the Bill.

22,292. Would you be good enough to confine yourself to the aspect of the legal department and the possibility of making one legal officer do the whole work of advising the Government upon revenue matters?—Mine is really little more than a general statement. I had put down in the memorandum I brought with me instances which bear it out, but it is really only a general statement that so far as my experience goes it would be very much to the advantage that the legal departments should be under one head. I can only give that as a general statement of mine, unless I illustrate it by instances which I could give. Of course I feel rather in a delicate position, because the solicitor to the Customs is a personal friend of mine, and I should be very sorry to say anything, even before this Commission, which would lead to any inference in his mind that I set myself up against him or his opinion. I do not know whether he agrees with me or differs from me upon the general statement, for I have never talked to him upon the subject.

22,293. Is it your opinion, speaking generally, that from a public point of view it would be possible to conduct the legal business of advising the Commissioners of the Inland Revenue and of the Customs by one solicitor's department?—Most certainly, and very much to the advantage of the Chancellor of the Exchequer and the interests of the revenue.

22,294. (*Mr. Harvey.*) Could you tell us as to the proportion in which the Excise or Stamps Branch gives your department work?—Excise gives the greatest proportion.

22,295. Not Stamps?—Stamps is very large. I am able to show you the growth of Excise, for I jotted it down, thinking such an inquiry might be made. Excise prosecutions in London: In 1865 (the year before I came), cases heard, 34; in 1875, 609; and in 1885, 2,257. Those are all conducted by men in my own office.

22,296. To what do you attribute that great increase in prosecutions?—Because we have brought so very much under the Excise supervision which is all a system of penalty and proceedings. Take the case of the Beer Act of 1880, which has enormously increased the prosecutions. We have been prosecuting an enormous number of publicans for dilution of beer in London during the last year or two.

22,297. As to stamps, does it give a considerable amount of work to your Department?—Yes; but of a totally different character. In stamps the major part of the work (save that of advising upon the duty and correspondence which, of course, is very large, as people are writing continually to know what the stamp duty

upon an instrument would be) relates to the judicial function which we perform. We are a court of first instance for adjudicating the stamp duty upon executed instruments, and the number of them, which when I came to the office was 400, is now as many thousands—it is 4,000.

22,298. Do you mean 4,000 cases of adjudication of stamps?—Yes.

22,299. In the year?—Yes, 4.000 in the year. Of course personally I cannot do that; my chief clerks do that, and even those below chief clerks, but from their decision is an appeal to the Court. I need not say that before an appeal I always see the case.

22,300. Now would you be good enough to tell us on what you base your statement that your department could undertake the whole of the Customs' law work with only a very slight increase?—Because I do not think that there is much Customs law work in relation to the Customs duties.

22,301. We have had it in evidence that the Customs authorities have found a very considerable increase of work, and of difficulty in working the Merchandise Marks Act?—That has nothing to do with duty.

22,302. In your estimate as to the capability of your office to take over the Customs work, had you in your mind the possible amount of work that might be thrown upon the Customs office by the Merchandise Marks Act?—I ought to have had it in my mind because it has just been before me, but I was confining myself really to Customs duties—to the duty question. The Merchandise Marks Act is, of course, a question of landing; it is really the prohibition against goods being landed with an erroneous name or mark upon them.

22,303. Still it is, so far as we are concerned, a part of the Customs' work that they are called upon to discharge, and with reference to which one would imagine that references to their legal department might from time to time become necessary; what I wanted to get was the foundation for your statement that you could take over the law work of the Customs with only a slight addition to your own staff?—I am bound to say that I did not have in view the Merchandise Marks Act, but I am not at all aware that the solicitor to the Customs has himself desired any increase of staff in consequence of that new Act; and, therefore, I was looking at it rather in that aspect. I think that that work very likely is ephemeral, and that there will not be the same amount of difficulty in the construction of the Act now and for subsequent years that there has been perhaps in the first year of the working of the Act.

22,304. I suppose we may take it that to give advice on any matter connected with the Customs laws involves long and minute acquaintance with the Customs Consolidation Act?—Yes, one Act.

22,305. You see no difficulty yourself in taking over in your department without any perceptible increase of staff, the whole of the work now done by the solicitor's office of the Customs?—That is my impression.

22,306. I think it would help us very much if you could give us any grounds for that opinion; it is, of course, a most important contribution to our view of the matter. Have you yourself had a practical acquaintance with the working for any length of time of the Customs legal staff?—I should certainly say no. I must answer that in the negative, but I know the class of questions that come before the solicitor to the Customs, and I know that a great number of those questions are very analogous to the questions which come before me.

22,307. Would you think that the Customs prosecutions would in any way require special treatment by your department or special knowledge, or would the knowledge that your men have got of excise and revenue law be adequate for dealing with them?—Perfectly so, I think.

22,308. I observe in your memorandum you stated that "the control of the collection of all the duties by "one central authority would result in benefit to the "revenue, as an absolute uniformity of practice would "tend to prevent evasion of duties properly payable." Would you say that the present division leads to "evasion of duties properly payable"?—I think so, because I think there are weaknesses in our law which are supplemented by provisions in the Customs law and *vice versâ*, so that if you were to weld these two laws together you will get the advantage of each code of law where it is more stringent than the other.

22,309. Do you base that opinion upon actual instances which have come before you?—Yes. Those are instances of which I have made a record thinking they might be of use.

22,310. Those, I take it, are instances (I would emphasise this) in which you think that the revenue has actually suffered—payment has been evaded—from the departments being distinct; is that so?—Yes. I have put it under the head of disadvantages arising from the separation, which, I think, is really what you want. As instances of cases in which correspondence and friction have arisen, I would mention this one first. Section 69 of the Spirits Act, 1880, enables a licensed distiller or rectifier or compounder to add sweetening or colouring matter or any other ingredient to any spirits warehoused by him in an excise or customs warehouse. The enactment proceeds entirely upon the lines that such treatment, which is a compounding of spirits, should only be effected by a person who has obtained an Excise licence, the duty upon which is 10*l.* 10*s.* The section has led to considerable discussion in consequence of objections raised by the Customs to the requirement of a licence for the treatment of foreign spirits in their warehouses, and they raised a question whether the enactment has any reference to foreign spirits, and it is not now regarded, upon the advice of the law officers, as applying to foreign spirits. There should be no distinction as to the necessity for a licence, whether the spirits treated are foreign or British spirits. That is one instance. I will give you another: In the year 1886, there was a considerable quantity of fermented liquor which proved on analysis to be derived from a basis of white wine of low quality, and which was found by the Inland Revenue officers upon the premises of a rectifier. From inquiries, it was ascertained that this liquor had been imported as spirits upon payment of the duty of Customs, and had been removed to the rectifier's with a Customs permit. A rectifier cannot have wine on his premises at all.

22,311. Then, so far, that was a slip of the Customs officer?—Yes. Section 89 of the Spirits Act, 1880, imposed a penalty of 500*l.* and incapacity to hold a licence for three years upon a rectifier having liquor of this description on his premises. The Commissioners of Inland Revenue hesitated to prosecute on account of the action of the Commissioners of Customs, who had allowed it to come in as spirits, and informed them of the facts and directed their attention to the result of the analysis, but the only reply received was that under the law and regulations of the department, that is, the Customs Department, the officers of Customs were justified in accepting the entry passed by the importers of the goods as spirits. Another disadvantage is to be found in the specific provisions of the law relating to the frauds on the revenue which are entirely due to the existence of the two boards. Thus a penalty is imposed by the excise law for frauds in relation to goods liable to a duty of excise, and another penalty is imposed by the Customs law for frauds in relation to goods liable to a duty of Customs. It is not always easy to determine in a case where the same class of goods is liable to Excise or Customs duty, according to the place of manufacture (take the case of plain spirits, for instance), which of the two penalties has been incurred, and the substitution of one simple enactment in respect of goods liable to any duty would be a great advantage. It also occasionally occurs, as in a case now pending at the instance of the Inland Revenue, that penalties in relation to Customs and Excise are incurred by the same person in connexion with a fraud upon the revenue. In such a case, although the Board of Inland Revenue can deal with Customs as well as Excise penalties, there is no similar power in the Board of Customs as regards Excise penalties. That is a very peculiar result of the law.

22,312. (*Chairman.*) That could be remedied without amalgamation, could it not?—That would be remedied immediately by amalgamation.

22,313. But could it not be remedied without amalgamation?—Of course it could by giving the Customs the power.

22,314. (*Mr. Harvey.*) Had those cases been referred to the Treasury? With reference to the case to which you last referred, did you consider it your duty or did the Chairman of the Board of Inland Revenue consider it his duty, to call the attention of the Treasury to the

Sir W. H. Melvill.

5 Dec. 1888.

fact that by a very slight modification of the law that difficulty would be obviated?—No, because it would be for the Customs to do that; it would be a question of an increased power to the Customs. We have the power.

22,315. But the revenue was clearly suffering, was it not?—Clearly, because I think both Boards ought to have the like powers in relation to both duties.

22,316. For a moment, putting aside the question of amalgamation, did it not occur to you that that was a matter which could very easily be put right by the Treasury without trenching upon the general question of amalgamation?—Certainly, the Customs by suggesting an amendment of the law could do it.

22,317. Do you know whether they did or did not make the suggestion?—I do not know, it is only incidentally thrown out by me. It was a case of an Inland Revenue prosecution, and we had the powers in relation to goods subject to the duty of Customs as well as those subject to the duty of Excise; it was the converse proposition.

22,318. May we take it, that in the case of any improvements of the law which occur to you as the result of prosecutions you consider it your duty to report through the Commissioners of Inland Revenue to the Treasury any alterations which you may think desirable in the law?—We do do so affecting our own law.

22,319. (*Mr. Lawson.*) Not with regard to the Customs?—Not with regard to the Customs, and that, I think, is one of the disadvantages of the dual administration, because the necessity for the amendment of the law only comes before one and if it came before the whole you would have the suggestion made.

22,320. (*Mr. Hanbury.*) Do not you communicate with the Customs in a case of that sort?—Not so, because in the particular case with which we were dealing our law suffices.

22,321. (*Mr. Harvey.*) Suppose there was one Solicitor's Office for the Customs and Inland Revenue and the whole question of any general amalgamation of the services were left aside altogether, all the disadvantages that you have pointed out might be rectified?—I think so.

22,322. All that your evidence goes to, I take it, is this: that an amalgamation of the legal departments would result in certain advantages to the collection of the revenue and to the general administration of the Customs, and Excise, and Inland Revenue?—I think so; of course it is not for me to go beyond it.

22,323. (*Mr. Lawson.*) Looking down the estimates it is impossible to tell what the total of the salaries is for your London Office as compared with the Customs, but should I be far wrong if I said it was at least twice as great?—I should think more.

22,324. Have you ever compared your estimates?—I have done so.

22,325. But you do not know what the difference really is now?—I really do not know, but I should say that we were certainly double.

22,326. Do you consider that your work bears the same proportion to the work done by the Customs at the Solicitor's Department at the Customs?—I should say it was tenfold.

22,327. Chiefly from Excise?—And stamps and taxes, and legacy and succession duty, in fact, I cannot tell you all; any one of them is an enormous business.

22,328. I suppose mainly of a routine character?—I beg your pardon, if you were to consult the law officers they would tell you whether it was of a routine character.

22,329. Then you think that you have as many questions to deal with as those which are decided in the Customs, with reference last year, we will say, to that new Act of Merchandise Marks; you have new matters arising from time to time?—Yes, continually; every new duty, as I need not tell you, brings us an enormous correspondence and also, I am sorry to say, litigation.

22,330. In case of amalgamation, I did not gather whether you thought that the increase in your staff would mean any large increase in the estimates?—I think not.

22,331. What proportion do you think; have you formed any opinion?—I have not formed any opinion upon it.

22,332. You have not considered what the staff in an amalgamated office should be?—I think the Chairman asked me, and I answered and intended to answer directly, that I thought it would necessitate no increase of staff in numbers. I thought it possible that in the first instance someone from the Customs should be attached to the office, because there might be some special points connected with their law, and it would be advisable to have somebody conversant with it, at all events, at the first.

22,333. But your point is this, that the work done now in the two offices could be performed at the same cost in one?—The question of cost I have not considered; the question of numbers I thought of.

22,334. In considering the case of amalgamation, did you contemplate it?—I cannot say I contemplated it at all.

22,335. Could you answer that question; do you think it could be done at the same cost in one office?—Of course it could be done.

22,336. And all in one building?—No doubt.

22,337. You say that you are asking for an increase already?—I am.

22,338. To what extent?—I think it is to the extent of four additional men.

22,339. What would that addition come to, do you know, 400*l.* to 500*l.* a year, or 500*l.*, or 600*l.*?—I think it is two supplementary clerks and two established clerks, and that would come, I think, to 500*l.* at the commencement; two at 150*l.*, and two at 100*l.*

22,340. There would be ample work for them to do, even if you did not take over the Customs work?—Doubtless.

22,341. Then I do not quite understand if that is the case how you could take over the Customs work without a further addition of staff?—Excuse me, the great difficulty that we have to contend with is the number of prosecuting clerks who are away prosecuting. There would not be much prosecution, except in London, at all events, from the Customs work.

22,342. Where do the expenses of those clerks come in—under sub-head "P"; expenses of prosecutions?—No, in salaries.

22,343. (*Mr. Harvey.*) Then your point is that they could be conducting perhaps Customs prosecutions as well as revenue prosecutions?—Quite so, in London.

22,344. And that the additions to the actual office work in London would not be sufficient if you take over the Customs work to cause any increase of staff there?—No increase of staff; that is the point that I intended to make.

22,345. (*Mr. Hanbury.*) Do you mean to say, in reference to the men who are now conducting the prosecutions for the Inland Revenue, it would cost no more to engage those same men to conduct Customs prosecutions also?—That is so, because they are not numerically very great.

22,346. Then in that case their time at the present moment cannot be very fully occupied?—My men's time?

22,347. Yes, the people engaged in these prosecutions?—Does not that depend upon the number of prosecutions which come over from the Customs?

22,348. That is what I want to know?—Of that I can give you no information, but so far as I can judge from the same sources that we all can, they are few in number.

22,349. (*Mr. Lawson.*) I have now added up the total of salaries paid in your office in London, and I find it comes to about 12,700*l.*; that is about three times the amount paid in the Customs legal department?—Yes, that would be so.

22,350. (*Mr. Hanbury.*) Are the solicitors at Dublin and Edinburgh in any sense under you, or are they perfectly independent officers?—They ought to be under me, I think.

22,351. What would be the advantage of that?—I think it is very desirable indeed that they should be assistant solicitors, so that their opinion can be readily referred to me, if necessary. I do not like over-ruling their opinion, they being co-ordinate, as it were.

22,352. As I understand, there is no amalgamation even of the solicitors' offices inside the Inland Revenue itself, and yet you are pressing for an amalgamation of

the two great departments?—I beg your pardon; do not understand me as pressing for it at all. I am not pressing for it and do not desire to.

22,353. Suggesting it, at any rate?—Yes.

22,354. Do you think it would be possible to amalgamate the solicitors' offices o the two great departments without that amalgamation extending to the whole of the two departments; would it be possible, even supposing that the Customs and the Inland Revenue Departments remained distinct, for them to have one solicitors' office in common?—Of course it would be possible; whether it would be quite convenient I am not sure.

22,355. Can you suggest any possible inconveniences?—Yes, I can; because, assuming at the Customs there are anything like the constant references, secretaries and everybody going up to consult the solicitor as at Somerset House, without a moment's warning, I think it is natural that it would be inconvenient if the solicitor was in another building. Lord Lingen once came to look into my office, and I think I pointed out the same thing to him when he suggested whether it was possible that my department could be moved out of the building at Somerset House. Upon that occasion I told him that I thought it would be impossible, in consequence of the number of cases that the Board referred, and the personal inquiries that were perpetually taking place, that you could remove the law department out of the building.

22,356. That rather assumes that if there were an amalgamation of the two departments, the heads of those departments would be all fixed in one office, and be able to get to the one solicitors' office at once?—That is my assumption.

22,357. Then it is a question of buildings to some extent?—Excuse me. Of course I am very ignorant of what has transpired before the Commission.

22,358. I am only asking you this fact: You tell me that the difficulty of buildings would arise if you had one solicitors' office for two separate departments?—I think so.

22,359. But that difficulty would equally arise unless after the amalgamation, the chiefs' amalgamated office were all in one office?—That is so. But I am alluding particularly to the secretaries and assistant secretaries.

22,360. Do not other people lower down in the different offices come to you direct then?—Occasionally. Of course the Chief Inspectors and the Controller of Stamps come to me, and many other people come.

22,361. (*Mr. Harvey.*) In the case of a document being brought to you for adjudication of stamp duty, and there being a doubt, do you answer it off-hand, or do you take time to consider, as a matter of practice?—As a matter of practice, I take time to consider, if it involves any difficulty.

22,362. (*Mr. Hanbury.*) I see there are two solicitors at the Inland Revenue and two solicitors at the Customs?—A solicitor and an assistant solicitor.

22,363. What I want to get at is this: Is it the case as at the Treasury, where I fancy three out of the four of those solicitors are not solicitors at all, but barristers; are all of these four solicitors?—I am a barrister, and was called in 1853.

22,364. Will you tell me how many solicitors in are your office?—Mr. Furlong is a barrister, he is the Dublin—the Irish—solicitor.

22,365. I will take your own department first. You are a barrister, I take it, not a solicitor at all?—I am a barrister. I was 13 years at the bar when I was appointed.

22,366. Is your assistant a solicitor or a barrister?—He is neither.

22,367. Neither?—Neither. I think I can explain it to you. He was assistant solicitor, and had been there three years when I was appointed. He had been a solicitor; but in order to go to the bar, as I daresay you are aware, it is necessary to be struck off the rolls, and he was struck off the rolls; and while he was a student for the bar he was appointed to the position which he holds.

22,368. He has some legal knowledge?—Certainly; but I was obliged to give you that answer.

22,369. What is the solicitor at Edinburgh, do you know?—He is, I think, a solicitor. But, of course, in Scotland they have not got the same terms as we have, and I do not know whether he is a writer to the signet.

22,370. Is he what corresponds to a solicitor in England?—I do not know that he was really a solicitor, but he had been for such a very long time the assistant to the late solicitor. The late solicitor had been an advocate.

22,371. How about Dublin?—The officer there is a barrister.

22,372. Can you tell me about the two at the Customs?—Mr. Follett was a solicitor at Exeter.

22,373. And his assistant?—He is a barrister.

22,374. (*Lord Lingen.*) I suppose the Customs have business both from Edinburgh and Dublin?—Yes, they have an agent there. I think they have what is called a law agent for their business.

22,375. That is, that he is paid by bills?—Yes, I think he is paid by bills.

22,376. If this amalgamation was carried out should you be able to conduct the united business with your four chief clerks?—Yes.

22,377. You would?—Certainly; because I have got such a good excise chief clerk.

22,378. Does that equally apply to the six assistant clerks; should you be able to conduct the business with that number?—I am not quite certain whether I am not an applicant already for another assistant clerk in consequenee of the excess of business in Stamps and Excise. My application has been before the Treasury for some little time; but, of course, pending this inquiry, amongst others, it has remained undealt with.

22,379. Supposing the legal business of the Inland Revenue and of Customs was united, the present organization of your department would be suitable for the united work, would it?—I think so. I should not propose to alter it; but, as I daresay you are aware, there are propositions to alter the constitution of all the legal departments.

22,380. Supposing the departments were united, a large part of the Customs work must continue to be conducted at the waterside; legal points that arise in Thames Street, and that must be answered at once, how would you propose to deal with those under your responsibility?—I should deal with them, I presume, in the same way as the solicitor of Customs deals with them now.

22,381. But the solicitor of Customs is there; you would be at a distance of a couple of miles through crowded streets?—Of course I am speaking ignorantly, but I do not know that distance would affect it materially. In my opinion there might be some cases in which he has to give an opinion *eo instanti*, but rarely, I should think. I am speaking ignorantly, because I really do not know that.

22,382. Have you any experience on this matter; do you receive now questions on legal points by telegram?—Yes.

22,383. Constantly?—From our own officers, and we are obliged to answer them to the best of our ability.

22,384. (*Mr. Harvey.*) You do answer them; you do take legal action by telegram?—No, we should not take action, but where an officer says, "a case is going on," there you are obliged to reply *quantum valeat.*

22,385. But now suppose that meant an important question, as to whether certain goods were or were not liable to duty, or whether certain goods might or might not be allowed to pass out of the control of the officer; do you not see that there might be considerable difficulty, from the fact that the head of the legal department was not on the spot?—That might be so, but I thought you were referring to a case in court.

22,386. I was taking up Lord Lingen's examination with reference to waterside goods, and what I would call legal matters at the waterside, necessitating instant action?—No doubt there might be a case in which it would be much more desirable to have the solicitor on the very spot.

22,387. (*Lord Lingen.*) All your establishment that is enumerated on page 46 of the estimates is actually under your own eye, and in your own office; it is not locally dispersed, is it?—No, it is all at Somerset House under me now.

22,388. So that, supposing one of your chief clerks, or one of your assistant clerks, or one of your law

Sir W. H. Melvill.
5 Dec. 1888.

clerks, was detached to Thames Street, I am not saying whether that would work or would not work, but, so far as that had to be done, it would be a change in your present system?—It would, indeed.

22,389. And on the whole, I rather gather, from your manner, that you would deprecate it?—I should deprecate it.

22,390. (*Mr. Lawson.*) I should like to know what is the reason that in so many cases you have quoted in your paper, the difference between the customs and excise duty is so narrow, and yet so marked. I see that in beer the duty of the excise is 6*s.* 3*d.* a barrel, the duty of the customs is 6*s.* 6*d.* In the same way with imported cards the customs duty is 3*s.* 9*d.* per dozen, and on home-made cards the stamp duty is 3*d.* per pack. You see it works out to about the same thing, 3*s.* and 3*s.* 9*d.* per dozen?—I think I can give you the reason. It is because the cards are all manufactured under the supervision of officers of excise, for whom the card makers have to find room.

22,391. Why, when the duties are so nearly approximate as they are in those cases, were they not assimilated in amount?—For the reason that it is a sur-tax as a countervailing duty for the expense to which the home manufacturer is put, or supposed to be put. There is a very curious thing, which perhaps I may mention, in connexion with cards, just showing the overlapping question of the Customs and the Inland Revenue. All the cards are put in stamped wrappers. Those stamped wrappers are provided by the Commissioners of the Inland Revenue, and the law provides that there shall be an Inland Revenue officer at each port, who shall wrap, or superintend the wrapping of these labels round the foreign cards, upon a certificate given by the officer of Customs that the duty has been paid. So that there are two men employed in doing work which should be done by one.

22,392. Does that engage many officers, do you know?—I do not know; but there is an Inland Revenue officer at each port where cards are imported; at least the law provides that there shall be.

22,393. (*Mr. Harvey.*) I should like to draw your attention to one sentence from the paper presented to us by the Commissioners of Customs. They say that "the amalgamation will be more nominal than real, "and that it will be difficult to find any one man who "would be able to grasp the business of so large a "department, and be competent to advise the Executive on all the various points which would arise in "the administration of a department, dealing with "such varied business as is included under the "headings of customs, excise, stamps, and taxes." Now, so far as the Legal Department is concerned, I should like to put it to you whether you see any ground for that statement?—I have already said that I do not; but after that statement, I do it with deference, because I do not wish to arrogate to myself a power which the Commissioners of Customs say could not exist in any one man.

The witness withdrew.

Adjourned to to-morrow at 12.30.

SIXTY-FIFTH DAY.

7, Whitehall Place, Westminster, S.W., Thursday, December 6th, 1888.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.
MR. A. B. FREEMAN-MITFORD, C.B.
MR. A. S. HARVEY.
MR. R. W. HANBURY, M.P.
MR. H. L. W. LAWSON, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

The Right Hon. HUGH CULLING EARDLEY CHILDERS, M.P., recalled, and further examined.

Right Hon. H. C. E. Childers, M.P.
6 Dec. 1888.

22,394. (*Chairman.*) You have, no doubt, from your connection with the Treasury as Chancellor of the Exchequer, had your attention called on more than one occasion to the question of the amalgamation of the two great departments of the Customs and Inland Revenue, and the Commission would be very glad to hear in your own way what opinion you have formed upon the subject.—I was secretary to the Treasury in 1865 and 1866; but I did not go back to the Treasury until I was Chancellor of the Exchequer from the beginning of 1883 to the middle of 1885. During my tenure of the office of Secretary of the Treasury the amalgamation of the Inland Revenue and Customs Departments was in the air to a certain extent, but I cannot say more. It was one of the matters which anybody desiring the economical administration of the Government would think of. But between 1883 and 1885 it was a question in a much more advanced condition, and I gave my best attention to it. If the Commission desire it I can amplify that answer and state what passed.

22,395. If you would be so kind.—I will make no further reference to the former period of 1865 and 1866. I became aware, very soon after that time—I could not name a particular year—that Mr. Gladstone's attention had been very much drawn to the question, and when I came to the Treasury as Chancellor of the Exchequer in 1883 I had frequent conversations with him on the subject, and also with gentlemen serving at the Treasury. My own opinion was that, although some years before, any amalgamation between the two departments would have been practically difficult and perhaps open to objection, while the Inland Revenue itself was consolidated rather in form than in substance—that is, while the three great branches of the Inland Revenue Department were still to a great extent separate—the Excise, the Stamps, and Taxes—after they had been really amalgamated and the unity of the department had been as it were established, the time had come for considering, and considering favourably, the amalgamation of the Customs with them, and for this reason, that not only was the business of the Inland Revenue Department itself in a satisfactory condition on the whole for such an operation, but the work of the Customs had been immensely simplified. The arrangements as to warehouse amalgamation at places where there were warehouses, under both the Inland Revenue and the Custom House, had made great advance, and therefore the question was no longer so complicated as it had been, but relatively simple. Having studied it with very great attention—and perhaps I may say that I had done so while out of office as well as when in office; it had been for some years a matter that I had thought over and made all the inquiries I could about—I came to the conclusion in my own mind that, subject to the discussion of certain specific difficulties which had to be got to the bottom of, that amalgamation could be effectively carried out. I therefore, when Chancellor of the Exchequer, applied myself to the discussion of the question at the Treasury with members of the Treasury Department who were thoroughly conversant with the details and with the difficulties; and in the years 1883–84, I think I mastered most of the points of difficulty, and my mind became

more and more satisfied that the solution was practicable. But there remained two points of grave difficulty, and I came to the conclusion in 1885, some months before we left office, that it would not be politic at that particular moment to carry out what on other grounds I thought was a desirable policy. The first difficulty was with reference to the internal condition of the Inland Revenue Department itself. We were in the middle of a great controversy between the Board and the officers, which had been attended with a good deal of heat, and which had become the subject of Parliamentary question. It had been my duty, on a motion of Lord Randolph Churchill, to explain to Parliament how the matter stood; and until that heat was over, and the question was at rest, I did not think that it would be practicable to take up the amalgamation of the departments and to carry it through readily. That was the first difficulty. The second was that I was not quite satisfied that the new arrangements with respect to the consolidation at certain places of the warehousing departments of the Customs and of the Inland Revenue had quite sufficiently advanced to enable us to take a second step. Of course the Commission are well aware of, and I presume have taken evidence upon, that amalgamation of the warehousing departments. Practically it was this—that in cases where there were warehouses in the same town connected with both the Inland Revenue and the Custom House, one of the two departments should have in future the supervision of those warehouses, and, generally speaking, that would be the Inland Revenue rather than the Custom House. My belief was in 1883, 1884, and in 1885 that it would be politic to have a little more experience of that amalgamation and the difficulties connected with it, and that some of the friction which it inevitably occasioned should be got rid of, before the same thing was carried further, as it would be in the entire amalgamation of the two departments. And therefore I determined in 1884 and 1885 to hold my hand and not make at the moment any proposal to Parliament, with the knowledge, however, that when I saw my way to make that proposal I should have Mr. Gladstone's entire support as First Lord of the Treasury. I think I have given now a historical account of my own connection with the question.

22,396. You have told us of two points of difficulty which existed at the end of your tenure of office as Chancellor of the Exchequer, and I think you referred previously to certain specific difficulties which you thought ought to be got rid of before you could proceed to recommend Parliament to amalgamate those two departments. Are these difficulties outside that you point to?—No; those are the two points. I do not think I used the words "Get rid of," but that we should see more about those difficulties, and that the friction which had existed should be diminished.

22,397. (*Mr. Freeman-Mitford.*) I think the words you used were, "get to the bottom of"?—That would express my view.

22,398. (*Chairman.*) I gather from what you have said that at the present moment the difficulties that you saw at that time having been removed, you are in favour of amalgamating the two departments?—I believe they have been removed. I have had no official connection with the Treasury since. Therefore I can only speak from what I hear, but I believe that the internal difficulty in the Inland Revenue Department has been removed; that there is peace there, whereas there was anything but peace in the years to which I have referred; and I believe that the additional experience of the amalgamated warehouse system is quite satisfactory and the friction is much less.

22,399. Have you considered at all to wha extent you would carry amalgamation or consolidation?—I think that there will be no practical difficulty in bringing the Customs, which, of course, is the lesser department, into the Inland Revenue.

22,400. You would in the first instance, I apprehend, amalgamate the Board—whatever you made the authority that controlled the great Revenue Department, it would be one controlling authority?—Certainly. May I reserve the question whether a Board's action is the best? Reserving that, I think that the superior authority should be amalgamated.

22,401. Then you would proceed to adopt one classification and scale of salaries for all the officers of the two Revenue Departments?—That would have to be done gradually and prudently. I doubt whether with a stroke of the pen, a complete amalgamation in that way, could be effected directly, but the duties could be amalgamated quickly enough. The vested interests of the gentlemen in a certain position in the service would have to be considered, but I should doubt whether within a year or two there could not be carried out complete amalgamation.

22,402. Do you not foresee that certain difficulties might arise with reference to the claims for levelling up salaries, which in these cases are very often very difficult to meet?—Yes; to a certain extent. I believe that there may be slight differences in the prospects of the officers of the two departments and in the exact scales, but I studied that question very carefully when I was at the Treasury and I did not think that that would offer any insurmountable obstacle.

22,403. The opinion of one important officer of the Treasury, Sir Reginald Welby, who came here yesterday, certainly is this: that in the view of the departmental Treasury, it would not be wise to disturb the existing order of things unless a scheme was laid before the Treasury to show how that difficulty to which I have referred could be got over, and substantiating the fact that it would be a real, considerable economy?—Yes.

22,404. Do you see any difficulty in getting that done in advance, so to speak?—No, I do not, provided it is brought into operation prudently, and not too hastily. I think it would be decidedly expedient to have a scheme well discussed first in all its details: and as you could not at once change many of the salaries, you would have to make the changes prospective, although those prospective changes should have been determined in principle when the amalgamation is made.

22,405. I think you said you withheld for the present whether a board was a desirable form of governing the amalgamated department—have you an opinion upon that point?—I dislike administration by boards very much. I should very much prefer a single head of a department with proper subordinate officers, but I do not think that in amalgamating the two departments it would be necessary to make that change at first. I should rather let that follow. I should prefer to have for the moment one board, on something like the present system, trusting to being able after a certain time to substitute for the board the administration by one head and proper subordinates.

22,406. A further objection is presented to us in some quarters that making one head in the sole Revenue Department of the country would be creating too large a place for a civil servant?—I do not think so.

22,407. Do you think there is any danger of its becoming too political an office?—I do not think so. I hope Parliament would set its face against any movement in that direction. We have got quite enough Ministers, and I should be very sorry to see another one added; but I do not think that the work of the Revenue Department when it is unified will be too much for one head, of course assuming that he has adequate assistance.

22,408. You think that it would not be a place beyond the capacity of men whom the Government of the country might secure to thoroughly advise the Chancellor of the Exchequer in all particulars of taxation?—No; I think not. I think that it would not be too much. I have given evidence before other committees and commissions as to the trifles which under our system in some departments go up to the head, and I have deprecated that practice very much. I think a great deal too much of a trifling character does go up to the heads of departments, but that is a question of good administration, and I do not fear that under a reasonable system the head of the Revenue Department need be burdened with greater responsibilities than are entailed upon the heads of other great departments.

22,409. Then it has been suggested to us as an objection to the amalgamation, that it would not be wise to diminish the number of responsible advisers that the Chancellor of the Exchequer has at present at his hand when he is considering the taxation of the country in any proposed change; and it is suggested that it is very desirable that any Chancellor of the Exchequer, however experienced in finance, should have at his hand at least two responsible heads of the two great Revenue Departments, so that there is a kind of cross-fire criticism between the one and the other, which must be in the long run beneficial to the country.—I should not hold that view at all. On the contrary, I should have thought that the Chancellor of the Exchequer would be much better advised by one than by two in the same matter; that is, where the Customs question and the Inland Revenue question are practically the same question, it is much

Right Hon. H. C. E. Childers, M.P.

6 Dec. 1888.

better to get the single advice, and where the questions are not the same, where they are separate, I do not think they are too many for one adviser.

22,410. I daresay you are aware when you speak of the amalgamation and consolidation that has already taken place between the Excise and the Stamps and Taxes, that practically is only an amalgamation and consolidation up to a certain point; that, as regards the heads, you may say practically that two or three ultimately have the control of each separate matter which occupies entirely the work of those separate departments?—That must always be in great departments. You must have heads for the different branches of work, that is inevitable.

22,411. The heads would be the same. As I understand distinctly the chairman, or one authority, whatever it was, whether it was a board or anything else that controlled the Customs and Inland Revenue, would be the ultimate responsible man for the higher questions of Customs and Inland Revenue?—Certainly; and there might be some under him who would advise him in the general survey of his work, but there must be also Heads of Divisions for each branch of work.

22,412. I think that you were at one time a Commissioner of Customs in Australia, were you not?—Yes, I was Commissioner of Customs in Victoria, having also the duties of the Board of Trade, and what little there then was of Excise work.

22,413. Have you at all followed the practice which obtains in the colonies or in any foreign countries with reference to this very important point of getting the whole revenue in the hands of one officer?—This question of keeping separate, rather than bringing the Inland Revenue and the Customs Revenue into one department was considered there, though some years after I left, and the two are now under one head together. I cannot speak with as much knowledge as I should wish as to foreign countries. I think others would be able to give better information than I can.

22,414. There is a Council of Finance, I think, in France, is there not?—Yes, but then in France they have a dozen people to do the work which we do with two or three.

22,415. Do you think the Civil Service of this country is more economical in that respect than the Civil Service in France?—The clerical staff, as far as numbers are concerned, is on a much larger scale in France than it is with us. You may have read Lord Stanhope's book just issued giving the Duke of Wellington's remarks on that subject. He mentions that the Duke of Wellington obtained information as to the staff of the War Office in Paris, and he found that it contained 4,000 clerks, and he compares that with our staff.

22,416. (*Mr. Lawson.*) Is that true now?—That was the case then. I do not know how it is now. But there is no question (I can speak from personal knowledge in some cases) that the clerical staff of some departments both in France and Italy, is enormously in excess of what we should consider a proper clerical staff, much as we, I think, can still reduce in many departments.

22,417. (*Chairman.*) Then do I understand that you, having carefully considered this question, are distinctly of opinion that a very large economy might result from amalgamation?—Yes, I think so. I have no doubt, from looking carefully into the establishments of the two Boards, and also from the experience of the qualified amalgamation with respect to the warehouses, that there would be a very distinct and considerable economy resulting from amalgamation.

22,418. Do you think there would be a larger economy than would be effected by a reduction at head-quarters? In the criticism which the Customs have written to us upon the proposals, they point out that there might be a diminution of something like 6,000*l.* at head-quarters by abolishing two or three Commissioners, and having one Accountant-General and one Secretary, and so forth, and that there might be further economy as regards some of the warehouses at the larger ports, which they estimate at about 4,000*l.*, but that, of course, could be done without amalgamation. They estimate that something like 11,000*l.* or 12,000*l.* would be the economy.—The Customs in my time were very much opposed to the idea of amalgamation, and put it always in the extreme light. The opinion of the authorities of the Inland Revenue Board at that time was, I think, different. They considered that a much larger economy would result, and I confess, as far as I was able to carry my enquiries, my impression is that there would have been a considerable economy. I should in all probability have made a proposal on that footing in 1886 had I remained in office.

22,419. Supposing that we should not be able to see our way to any larger economy than that which I have just said is put forward by the Customs—namely, something like 12,000*l.* a year—would you still think that it would be desirable to disturb the existing order of things or not? do you think that there would be more efficient administration in the collection of the revenue caused by amalgamation?—I think so, decidedly. It is very difficult to give a detailed answer with respect to figures which one is not able to criticise thoroughly; but the amalgamation itself would be good, and I think, if you only get the economy you mention, it would be an additional good.

22,420. (*Mr. Freeman-Mitford.*) In what way would the amalgamation in itself be good?—It would be good in this way—that it would be satisfactory to the merchant, it would bring about simplification of regulations, it would put the whole service upon the same footing with respect to the collection of revenue, and it would help undoubtedly in securing a better organisation in future if you have one department to deal with instead of two.

22,421. In that respect have there been any complaints from merchants, because we have been rather led to believe that the shipper, the broker, the merchant, and the retail tradesmen are all satisfied with the present order of things?—I can speak particularly to the warehousing part of the business. The whole of the discussion which led up to what I have called the partial warehousing amalgamation was carried on with full knowledge of the opinion of the merchants and of those who were interested in warehousing, and I feel confident that the great mass of that opinion was favourable to one system and unfavourable to the double system.

22,422. (*Mr. Hanbury.*) Was there any strong feeling one way or the other, do you know?—Yes, certainly, so far as it reached me at the Treasury; and I had a great deal of unofficial conversation with persons connected with trade, and their opinion was all one way.

22,423. (*Chairman.*) I suppose that, generally speaking, so far as you remember that state of things then, that the difficult question of collection and taxation is carried on without very much friction, and with very fair convenience to the trader?—Of course, the great mass of taxation is the Inland Revenue taxation—the Customs is very much less. The Inland Revenue administration, I think, is in a very satisfactory condition. The Customs arrangements are simple, and could be easily transferred to the Inland Revenue Board. You would not require any great shock in making that transfer, and you would have the other advantages I have named.

22,424. (*Mr. Harvey.*) We have had a great deal of evidence given to us to this effect: that you could not really get an amalgamation between the services, that the subordinate duties are so different, that the knowledge required to make a good Customs officer and the experience required is so considerable, that your consolidation would really be nominal and not real; that, practically, although you might amalgamate certain of your offices—for instance, your Accountant's office, or, perhaps, even your Solicitor's office—that, so far as the officers who are distinctly connected with the collection of the Revenue are concerned, they would continue to remain separate and distinct?—The officers specially connected with the Revenue would be, in the main, the warehousing officers; in less numerical strength, the officers of the Long Room in the Custom House and those who are directly brought into financial relation with the payers of duty. I do not think there would be any difficulty in amalgamating them, or in having a body of officers well versed in that work, and this the amalgamation of the warehouses at any rate has shown. Of course the business of the Customs on board a ship is foreign to any business that the Inland Revenue officers now do, and there always must be a body trained for the work of taking charge of goods on board ship, and of seeing them properly landed, under whatever title those officers act. That is business which is outside the Inland Revenue Department, and for which in future, as now, officers would have to be trained. But I do not think there would be the least difficulty in their being trained under a Board or an authority which governed what are now the two departments. Of course the people who go on board ship, or who have charge of the landing, under whatever title they may be called, have peculiar work—work separate from the warehouse work, or from the work of the offices, or from the accounting work; but the work in the offices and the accounting work can perfectly well be assimilated, and are, in many respects, very similar now.

22,425. Do you not think that positive disadvantages would result if in any way you attempted—for instance, in dealing with the ports of London and Liverpool—to introduce revenue duties into the experience of the officers connected now with those two ports who are at present solely connected with the Customs duties? Do not you think that a positive disadvantage would result if you attempted to introduce revenue duties, even warehousing duties in connection with them?—No, distinctly not as to warehousing duties. I think there would not be any difficulty in gradually bringing the warehousing duties together throughout the United Kingdom.

22,426. You would, of course, extend that to Stamps and Taxes. You would think, I take it, that the distinction between Stamps and Taxes and Customs Revenue is so considerable that you would not think of amalgamating the life career of a man who was meant to collect Stamps and Taxes with a man who was meant to be a Customs officer?—No; they are not, in that sense, amalgamated now. There are particular branches of work for which men must be trained up *ab initio* under any state of things. As I said before, you will have separate branches conducting separate work. But there is no reason why the supervision should not be the same, and there is no reason why, in respect to the receipt of the revenue of Excise, the revenue of Customs, and the warehousing arrangements of the Excise and Customs, there should not be complete amalgamation, remembering that there is already, and working well, amalgamation between the Excise and the very different work of the Stamps and Taxes.

22,427. Does not that seem to you to lend weight to the allegation of the Customs that there could not be any real consolidation and amalgamation right through, because the duties are so distinct?—There could be, in my opinion, as much amalgamation as there is between the Excise, the Stamps, and the Taxes, and much more with respect to certain portions of the Customs business. There are other parts of the Customs business which must be managed by a distinct branch; but the Revenue collection, the warehousing, and the accounting might all be brought together.

22,428. Would you say that there is an amalgamation now between the Excise and the Stamps and Taxes?—No. I have rather put it the other way. I have said there is not in all respects an amalgamation—that there is an amalgamation of supervision, but that there is not a complete amalgamation, and that there cannot be more in some respects. But amalgamation between the Customs and the Excise would be more easy and natural than between the Excise and the Stamps.

22,429. Supposing we could approach the matter now with a perfectly free hand, would you prefer to have one consolidated Board, or would you prefer to have one Board dealing with Stamps and Taxes only, and another Board dealing with Excise and Customs?—That is a very difficult question. If we were beginning *de novo* it might possiby be well to keep up a separate department—I will not use the word board—for Stamps and Taxes; but no one, I think, with our present fiscal system, would dream of initiating separate departments for the Customs and Excise. They, at any rate, would be worked together, and as the Stamps and Taxes have already been amalgamated with the Excise, so far as their supervision is concerned, we need have no hesitation in bringing in the Customs. But whether—taking the thing absolutely with a clean sheet of paper—one would have begun by putting all four under one supervision, I should be sorry to affirm positively.

22,430. May I take it that the present system does not in your opinion involve any grievance to the merchant?—"Grievance" is a strong word. The merchant would very much prefer, so far as I know, that there should be one supervision of the whole of the warehousing arrangements; and where the warehouses are still distinct the merchant does not like it.

22,431. May I ask is that opinion based upon actual complaints made in the course of your experience?—It is based upon what I have read in the course of my official experience and upon conversation. I cannot put it stronger than that. I do not think there was any distinct official complaint during my time addressed to the Treasury, that the merchants had cause of grievance; but they greatly approved of the amalgamation as far as it went, and they were anxious that it should be carried further.

22,432. As to the Exchequer, have you seen cause to think that the Exchequer would gain by the amalgamation? I mean in the actual amount of the revenue collected, or in the promptitude with which it would be collected?—My impression is that it would; but I have not been able to refer to any of the papers of my time, and I could not, therefore, quote exact proof of that.

22,433. We have had some evidence given us to the effect that, so far as agitations are concerned for increased pay, the Treasury find it more easy to deal with them so long as the departments are distinct than they would if they had to deal with an amalgamated department; that, in fact, the pressure of all kinds brought to bear upon the Treasury for increase of salary—for levelling-up, in fact—would be more difficult to deal with in the case of an amalgamated department than in the case of the separate departments. What is your opinion of that?—That is not my view. When similar departments are kept separate there is a perpetual agitation for bringing one to the level of the other, and it is very difficult to deal with that. That is the history of a great proportion of the salary agitations in the public service. I think the Treasury is more likely to be able to deal with it effectively (I am assuming that they are supported by Parliament) when they are dealing with one department than when they are dealing with different departments and different scales.

22,434. As to the financial advice to be given to the Chancellor of the Exchequer; I think, from what you said to the Chairman, you see no advantage in the friction or the conflict of opinion which may be supposed to result from your having two or three advisers?—Two or three departments to advise?

22,435. Yes?—Between having two or three departments to advise, I do not see any advantage. Of course, the Chancellor of the Exchequer, in being advised by the responsible head, whoever he may be, always brings into consultation other practical officers of the department, and confers with them as well as with the chief.

22,436. Do you think that it would be possible for the head of the amalgamated department to retain within his own mind the experience of the three services, embodying so very many complexities as Excise, and Stamps, and Customs?—You say within his own mind. I rather met that by my previous answer. The Chancellor of the Exchequer, in a grave discussion of policy, would not have only the experience of the chief of the department to help him, but he would have the presence and assistance of the experienced officers associated with him. When it was my business to look into any new question I did not satisfy myself by merely hearing what the Chairman of the Board of Inland Revenue or the Chairman of the Board of Customs thought, but with them came their experienced officers.

22,437. I take it that the view which was put before us was rather this—that when the services are distinct the traditions are distinct too; and the Chancellor of the Exchequer is, therefore, likely to get from the two separate departments a distinct divergence of opinion, which very often may lead to better information being given to him?—My answer to that would be that the real distinction is between the Excise on the one hand and the Stamps and Taxes on the other—that the Customs and Excise are practically *in pari materia*, and that you do not want two different heads to advise upon questions of Customs and Excise Revenue. If you want that division at all, you should dissever the Stamps and Taxes from the Excise, and have a separate adviser for them.

22,438. As I understand you, the condition of affairs being what it is, you would not recommend this Commission to take up the question of separating the Excise from the Stamps in order to unite it with the Customs?—Certainly not; but what I meant was this: There may be advantages—I do not think there would, but there might be advantages—in having advice for Stamps and Taxes and advice for Excise, but I see no advantage in having two separate advisers for Customs and Excise, which I have said before are *in pari materia*.

22,439. (*Mr. Hanbury.*) Any amalgamation, I suppose, would only very slightly affect two out of the three departments—that is to say, it would very slightly affect the Stamp Departments of the Inland Revenue and very slightly only the Taxes?—Only slightly.

22,440. So that the whole saving would at any rate refer to the Excise Department of the Inland Revenue?—I should not say that absolutely. I think it would be found that under an amalgamated system there might be officers who would be able to do work for those two branches, but by far the main saving would be in the amalgamation of the Customs and the Excise.

22,441. Do you know—I cannot find it in the Estimates—what is the cost of the Excise Department of the

Right Hon. H. C. E. Childers, M.P.

6 Dec. 1888.

Inland Revenue as separate from the others?—From memory I could not give the figures.

22,442. Not even roughly?—I had that all before me at the Treasury, but it is very difficult after three or four years to carry figures in one's head.

22,443. I ask for this reason, that I see the Customs cost a million a year, or very nearly so, and I wanted to know whether the Excise Department of the Inland Revenue costs more or less than that.—I should think less, but I am afraid you must not take it from me.

22,444. What I am driving at is this—whether the suggestion is one for the smaller department to swallow up the larger or *vice versâ*.—*Vice versâ* undoubtedly. It is one for the Inland Revenue to swallow up the Customs.

22,445. Yes; but the Excise Department of the Inland Revenue to swallow up what is really the larger department?—My impression is that the Excise Department of the Inland Revenue is worked more economically than the Customs, and in that sense it is the smaller department; but that the actual amount of revenue is larger in the Inland Revenue than in the Customs.

22,446. At the time when you entered into this did you go into the question of what would be the actual saving by any amalgamation of this kind on the Customs?—No; for the best of reasons that I had not come to the conclusion to do it. That would have been the final work of 1885 and 1886. What I studied, and studied carefully, were the figures of the amalgamation which had been effected up to that time.

22,447. My difficulty is this, that we have had no complete scheme put before us showing how this would work out in practice as apart from the theory, and I want to know whether you ever had, when you formed that opinion, any complete scheme put before you?—No; never a complete scheme, but a scheme carried sufficiently far to give me *primâ facie* a strong view that it could be carried out to the end. I think I have said that, without adopting an immediate decision, I saw my way to carry it out after a year or two.

22,448. Putting on one side the question of the amalgamation of the two Boards, did that scheme sufficiently go into detail with regard to the subordinate officers—both in London and in the provinces—to show you that a considerable saving would be effected?—Not in detail, but generally. I was quite satisfied by the representations to me that there would be a considerable saving; but, as I say, it had not reached the point for discussing those details.

22,449. The amalgamation has already gone on, we will say, with regard to warehouses. Is it not possible that further amalgamations might take place where the two departments have worked in common without any necessary amalgamation of the whole of the two departments?—Certainly that might be.

22,450. Does it occur to you that amalgamation might take that shape?—Certainly, as a first step.

22,451. Could you suggest any details in which it could be further carried out?—We carried it, I think, up to the time of leaving office, as far as was wise, having regard to the decided friction between the departments on the subject; but my opinion was that it might go on, and if I had been in office it would have gone on much further.

22,452. Could you tell us where—in what particular respects?—I think practically it might have been complete. I think that the warehouses might have been brought under one control wherever there were Customs and Excise warehouses.

22,453. Yes, but going beyond the warehouses, is there any other point at which amalgamation could take place without amalgamation of the whole of the two departments?—I think that would be very difficult.

22,454. You think that kind of amalgamation then has gone as far as possible?—No.

22,455. Short of complete amalgamation?—You might, as I have said, amalgamate entirely the warehouse departments, but no such amalgamation would really to my mind be satisfactory compared with a thorough amalgamation.

22,456. (*Lord Lingen.*) I think I gathered from your evidence that on the whole you are in favour of amalgamation, but that you are also in favour of a previous scheme of taking very great care that no mistake was made in an administration so vital to the revenue of the country?—Certainly, I always dread these great changes unless the results are as far forecast as they can be.

22,457. With regard to the separation of the duties on which you dwelt, take a waterside Custom House officer, and a surveyor of taxes, and vendor of stamps, and an exciseman who is in a distillery—all the distinctions of those duties you think are not greater than in any great department would exist between the branches of it?—No.

22,458. And therefore are not fatal to a common Board?—No, and I would carry on what I said before a little further, by saying that in small ports, where there is very little to do, I think what are now only Customs officers might very readily do some parts of the Inland Revenue work, just as the Post Office now makes certain collections.

22,459. Was your own attention called to this circumstance of the very great number of bonded warehouses that exist all over the country?—Yes.

22,460. And in the same town?—Yes.

22,461. Do you think that a considerable reduction might be insisted upon in the number of those warehouses?—Yes; and that that could be much better done under the amalgamated department, in which the peculiar Customs' traditions in connection with small warehouses could be allowed gradually to pass away.

22,462. Of course your Treasury experience must have told you that locally any reduction in the number of these warehouses is exceedingly unpopular?—Not every reduction; some reductions would be no doubt unpopular where particular merchants have been accustomed to have almost a *privilegium* in connection with particular warehouses, but I doubt whether, in a great many cases, it would be unpopular.

22,463. It may be looked at, of course, from two points of view. The bonding privilege is a great deal like the licence of a public-house—hitherto it has never been taken away, or rarely?—Rarely.

22,464. And to the owner of property, of course, it is a serious thing to him if the bonded privilege is not renewed?—Yes, that is true as to the owner of the bonded warehouse, and he would have to be carefully dealt with. I thought you referred to the merchant.

22,465. I was coming to that: there are two elements of the unpopularity, the one the owners of the property, which is undesirable, and must be faced as best it can; the other the reduction in the numbers of the warehouses, which would also raise a great local opposition.—Much less than I think might be expected. I believe that as a rule the merchants of the country are good men of business, and they like to see good business arrangements, and nothing can be a worse business arrangement than scattering about a small town a number of small bonded warehouses.

22,466. You think that that is equally applicable to the small dealer as it is to the great wholesale dealer? We have had it in evidence, I think, or, if not, it is perfectly notorious, that in many of these warehouses the goods are withdrawn in ridiculously small quantities by the small retail traders?—Yes; the bonded warehouse system undoubtedly has been abused. It was not intended to be a large shop for non-duty-paid goods, so that the duty might be paid when they were removed in small quantities. That was not the intention; but by degrees a great deal of that has come in, and I think we should set our faces against it. I speak there from personal experience, because the question of multiplying small warehouses came before me when I was Commissioner of Customs at Melbourne, and I always set my face against that.

22,467. On this side there is an obvious field for very considerable economy?—I think so.

22,468. If it was steadily and prudently enforced?—I think so; and if the merchants and all those concerned saw that the arrangements were business-like and satisfactory.

22,469. Then we have had this, too, in evidence before us, that whether you call them one Board or two, you must have practically something like the same number of men to do the work. Would you say from your experience, especially in the colonies, that the retention of two Boards of all services may imply a considerable number of persons in the local stations who are not fully employed?—I think so.

22,470. And that by having a single service at home might be filled up to a much greater extent than it is

now and the numbers reduced?—Yes, I quite agree with that, and I would go further, and say, assuming that you retained the Board system, that one Board need not have as many members for the amalgamated service as the two Boards have for the separate services.

22,471. I was thinking rather more of the local officers all over the country. For instance, the Custom House officer in a small port probably has plenty of time on his hands to do any Excise business that there may be there?—He notoriously has. Anyone who has had the experience of living in a place where there are these small establishments knows that during a large part of the time many able officers find themselves without work.

22,472. (*Mr. Lawson.*) In answer to Mr. Hanbury, speaking of the Inland Revenue, you seem to suggest that it was only in the Excise branch there could be any real amalgamation with the Customs?—I thought I qualified that—I intended to do so.

22,473. In what way?—By saying that there were a number of places where, supposing that amalgamation took place, the officers who are now doing, say, Customs duty, could very well do some of the Stamps and Taxes work.

22,474. I suppose, besides that, that you would be in favour of having one Secretariat, one Solicitor's Department, one Laboratory, and one Accounting Branch?—Certainly.

22,475. In the central office?—Certainly.

22,476. Do you think that any great increase of cost would be necessary in the Inland Revenue, saying that the Customs is merged in the Inland Revenue, to supply agents for the new work which would be added to the present duties?—There must be some increase; but I do not think that that increase would approach to the present charge for the two services.

22,477. We will take the Solicitors' Department of the Inland Revenue, which is very much larger than the Customs. Have you any minute acquaintance with it?—Not minute; but my experience in other amalgamations of Solicitors' Departments is that, even where their business was not alike, that amalgamation has ended in economy and in much better administration.

22,478. By much better administration you mean that of course there would be one interpretation of the different codes of the department?—Yes, in a solicitor's office you must sub-divide work. I believe that is the experience of all large solicitors' offices. But under an amalgamation of these departments, you would not require two people for the work which is now done by two if it was one office.

22,479. (*Mr. Hanbury.*) Could not that amalgamation again of the two Solicitors' offices take place without an amalgamation of the whole of the two departments?—It is possible; but I should be loth to recommend it without much more examination than I have been able to give to the question.

22,480. (*Mr. Lawson.*) Does not the obvious difficulty suggest itself to you that it would be impossible, without amalgamating the Customs and Inland Revenue, to have one Solicitor's Department at Somerset House responsible also to the officials in Thames Street?—I am not quite sure that I should use the word impossible, but it would be very difficult.

22,481. Therefore, all through the country, and in London as well, you see the possibility of great saving by consolidation?—I think so.

22,482. And you believe that the simplification would be of great benefit to the trade. I heard you say, and I was interested in your answer, that you thought an agitation for increase of salaries was more effective with two departments than it would be with the one. I have no doubt you were thinking of Parliamentary pressure with regard to certain classes of public servants?—Yes. I think I was, on the whole, successful in resisting Parliamentary pressure. Parliamentary pressure for increased expenditure has sometimes been very severe—in some cases, far more severe than you would have thought from the debates of a day or two ago.

22,483. Is it not the case, and was it not the case in your experience, that the Customs and Inland Revenue officers are continually comparing their positions and salaries, and pressing at the present time for equalisation?—That is so. That was the foundation of that agitation in and before 1884, which was so difficult to meet.

22,484. Taking the most favourable view, do you believe that the force of the agitation would be in any way increased by amalgamation?—I do not. The Treasury would have been relieved from that portion of the pressure which arises from different scales.

22,485. (*Mr. Hanbury.*) Then you would level up?—Not necessarily—certainly not.

22,486. Then the scales would remain different if you did not?—No; you would gradually bring in a uniformity of scale. You would not bring it in by a stroke of the pen, but you would work up to it. The great blot, I think, in some of the arrangements of that kind which have been hitherto made is that they have been made in too great a hurry, that sufficient time has not been left to bring two different things into one line.

22,487. (*Mr. Harvey.*) You mean that the Treasury would set up, for instance, a normal establishment for the amalgamated department, and gradually work into it?—Certainly, a normal establishment and a normal rate of pay.

22,488. (*Mr. Lawson.*) You are aware, of course, that under the Customs there are a lower class of officers than you want under the Inland Revenue—when I say lower, I mean paid at a lower salary, and engaged in less responsible work?—Yes; the officers who do work on board ship, I think, may be considered as lower.

22,489. Established watermen, for example?—Certainly. And what used to be called Tidewaiters.

22,490. You would not be apprehensive that the Treasury would allow these lower officers at a lower scale of salary to have their position bettered by amalgamation?—Certainly not; they have completely different duties.

22,491. Is not it the fact in your experience, when there is a question of dealing with a special branch of taxation, the Chancellor would attach most importance to the advice of the special officers, even though they were subordinate, who had to deal with that particular subject?—That is uniformly the case. I used to see the heads of the Boards very frequently. But I never went into the real details of a new question without having either in my room, or close by, officers of long experience in the particular branch of business.

22,492. Then the position in that respect would not be altered by amalgamation, because that officer would still be available?—Yes.

22,493. And as a matter of fact you might attach more importance to his advice, as he would be a particular expert, than to the general view taken by the supreme head?—You always have to attach their relative weight to experts who may not be of the highest general intelligence, and to those who look at the question from the more general point of view, and who do not profess to be experts.

22,494. Then you attach no importance to the opposition raised on that ground?—No, none whatever.

22,495. Do you believe there is any great advantage to the Revenue from the competition of the great Revenue Departments in the country?—No; I should not have said so; I should have said disadvantage.

22,496. In what way?—Having two people or two sets of people to do work which can be done by one set of people, undoubtedly leads to increased expenditure.

22,497. I did not quite mean that. I meant that with the two departments engaged in duties of much the same kind (I am thinking of warehousing, of course) do you believe that the emulation of one as against the other would make both more vigilant in the collection of the national revenue?—I do not think so; and if that was a sound principle you would have to apply it to a great many cases where nobody has dreamt of applying it hitherto.

22,498. (*Chairman.*) With reference to warehouses, the suggestion has been made to us, at one portion of our evidence, that it might be a good plan to leave all the bonded warehouses at the ports under the Customs' management, and all the bonded warehouses inland under the Inland Revenue; and that that would be going far enough in the way of amalgamation?—Up to a certain point that has been carried out; but still you have the two sets of administrators for really one specific object, and I do not see the advantage while I do see the disadvantage.

22,499. The duties in the warehouses being, as you have said, practically identical whether they be Customs or Inland Revenue?—Yes, really identical.

Right Hon. H. C. E. Childers, M.P.

6 Dec. 1888.

22,500. I have only one other question of a practical character that I should like to ask you. You have told us, I think, that it was your intention, having satisfied yourself as to the policy of this amalgamation, or very nearly satisfied yourself, you have gone into detail, and that in all probability you would have proposed to Parliament an amalgamation?—May I say, if the details turned out satisfactory.

22,501. Because it is part of your opinion that amalgamation ought not to be proceeded with until a definite and clear way is seen to effect economies and to improve at the same time the administration?—Certainly.

22,502. May I ask you in what way it occurs to you such a scheme might be got at; how to arrive at the details of such a scheme?—Speaking off-hand, I think the course I should have adopted would have been to have appointed a small committee representing the two departments and the Treasury, and to have given them the duty of going through the whole of the establishments, and of advising how they ought to be organized in the event of amalgamation being carried out. That would probably have occupied the attention of those gentlemen for six months. I should not have hurried them. On the contrary, I should have wished them to be very deliberate, and having got their report, and that report having then been reviewed by the heads of the Inland Revenue, and the Customs, and by the superiors at the Treasury, I should then have had foundation for action. Without that I think it would be an imprudent step to rush into amalgamation.

22,503. May I go so far as to ask you your advice to this Commission? We are concerned now with the general question of policy, but I daresay that, at all events, some of us feel that it is rather difficult to separate the question of policy from that of detail. Would you think that it would be a proper opinion and advice for us to give, that practically, so far as we can observe detail, of course to speak of it, but generally, supposing we were in favour of amalgamation, to recommend such a course as you have suggested?—I think so. I should humbly advise you to make such a recommendation.

22,504. If we had the good fortune to have you as a member of the Commission, would that be the course that you would recommend us to pursue? Supposing we came to the conclusion upon the evidence we are able to take, that amalgamation upon general grounds of policy would be desirable?—I think so. I think that would be my advice.

22,505. (*Lord Lingen.*) I should like just, in connection with that, to have on the notes your opinion that for the application of administrative schemes in detail the machinery of a Treasury Committee, on which the departments also are represented, of experienced permanent officers, is the best machinery that you can get for working out those schemes?—I may say I have no doubt it is.

22,506. (*Mr. Hanbury.*) Can you say how far the previous amalgamations which you have mentioned, which are of course much smaller amalgamations, effected any genuine economy?—My recollection, from papers which I have seen some time ago, is that a genuine economy was established; but, of course, the business in some respects has enormously increased since the amalgamations took place.

22,507. (*Chairman.*) There is nothing that has occurred to you, is there, that you would like to say?—No.

The witness withdrew.

Sir Alfred Slade, Bart., called and examined.

Sir A. Slade, Bart.

22,508. (*Chairman.*) You are, as we know, Receiver-General of the Inland Revenue?—That is so.

22,509.—One reason among other reasons why we have asked you to come here is this, that upon evidence having been given to us by the Chairman of the Inland Revenue in favour of amalgamation and upon our going through the mode in which that amalgamation could be effected at headquarters and so on downwards, when we came to the office of the Receiver-General, there was put upon our notes an opinion expressed by the Chairman of the Board of Inland Revenue that the office of Receiver-General (as an office, of course; nothing was said personally) might very well be done away with and that in some other way the work might be done. It was obviously necessary, therefore, that we should ask you to express your opinion upon the nature of the work that you have to do, and also to ask you whether you have any suggestions to make with reference to it. I think, perhaps, I should ask you first to describe the work you have to do.—The work of my office or my personal work do you mean?

22,510. The general nature of your official work. We want, as far as possible, to keep every personal question out of the matter.—The work of my office is the receipt of money and the payment of money. We are Paymaster-General of the Inland Revenue and Receiver-General. The work of our office differs very materially from a collector's office, because a collector receives nothing but what he has notice to receive. We receive miscellaneous amounts—anything is paid to us. By turning to the paper that I have here I could give you a list of the various items that are paid in my office.

22,511. You see one is struck in the first instance by the fact that at the Customs the office of Receiver-General has been abolished, but that at the Inland Revenue on the contrary the office of Receiver-General, the abolition of which has been often considered, still remains. What we want to ascertain is the nature of the work which requires such a separate office.—I do not think that the Receiver of Customs has any of the confidential and miscellaneous payments that we have.

22,512. It would be very useful to us if you would tell us what those payments are.—We receive special payments of income tax. As you are aware, any person in this country, whether a trader or banker or private person, who does not wish to have his private affairs disclosed can go to the Special Commissioners, who furnish him with a number and a letter, and he is then directed to pay to the Receiver-General of the Inland Revenue. There is no necessity for his divulging to me what is his name or what is his address, but in order not to do that he would probably have to bring a bag of gold to pay the sum involved. As a matter of fact he pays in ninety-nine cases out of the hundred by cheque, and therefore my clerks who receive that know who has paid the special payment and what that person's income is. They know when a large cheque comes for the payment of the income-tax that a certain firm, say, is making 350,000*l.* a year. This fact the firm does not wish to be known, but it is known to us only and to the Special Commissioners, who are sworn to secrecy, I believe—we are not. We receive the money, and we have the means of knowing nearly everything that is paid on the special payments. There is a very large amount paid in that way every year; I believe we receive as much as 20,000 or 30,000 special payments in a year.

22,513. Is it on the question of the degree of importance and the confidential nature of the receipts that the office differs from that of a high collector?—Yes; and, I believe, from that of the Receiver of Customs, in this particular work that I am on now—that is, this confidential work. Then, in addition to that, we receive the arrears of income-tax. No collector receives them; we receive them, and therefore we know who has been in arrears in his income-tax. The moment an income-tax falls into arrears the collector is no longer allowed to receive it, but it is sent up to us.

22,514. (*Lord Lingen.*) The collector reports it, does not he?—I do not think he does.

22,515. Then how can you become cognisant that it is in arrear?—I think the Surveyor of Taxes would report it.

22,516. Some local officer knows the fact?—Yes; the surveyor; the collector does not do anything outside his office; he merely is a receiver; he sits in his room and receives the money paid to him.

22,517. As regards the notice of arrears, you are not the only people who are sure to know that?—The secretary's office knows it.

22,518. The arrears of income-tax must be reported by some local officer, must not they?—Yes; they must be reported by the Local Surveyor. I was showing that we did a work there which collectors did not do, and which was a variety from a collector's office. Then we receive a payment called "Duty omitted to be charged." When a person dies and when his executors put in the inventory of his goods, &c., the matter is revised by a branch

(I think it is in the secretary's department of the Inland Revenue) which is called the "Probate Compare Branch." They look at what a man has had and then they look back at what he has been paying, and when necessary they come down on his estate and say, "The dead man has been evading his "taxes for very many years; the estate must pay up." I do not suppose this is a matter which most people would like to be made very public, and it is always done very quietly. It is sent to us to receive. We receive all the papers and we see what it is and who it is that is affected.

22,519. (*Chairman.*) Is the evidence you are now giving us meant to show that in your office the work is of a rather confidential nature?—Yes; I am just going into that part of the work now.

22,520. It is confidential collecting?—Confidentially receiving the arrears of House Duty is another small kind of payment which we receive and collectors do not receive. That is where people have not paid their house duty. Then we receive various miscellaneous matters which are not of a confidential nature—I believe not. Corporation duties, for instance. All corporations have lately had imposed upon them a 5 per cent. tax because they do not pay succession duty—corporations not dying, they never pay succession duty. Now they are compelled to make a return of what the annual value of their income is, and to pay 5 per cent. a year at the Receiver-General's Office. I do not know whether the corporations would consider that confidential, but it is not paid into any other office but my office. Then we receive the income-tax on foreign dividends. That was a matter which used to escape. A large quantity of money is paid here for dividends on foreign loans payable abroad, and, as I have said, people used to escape paying. Now we serve notices on all the brokers, and they have to make a return of what they have collected and pay it into my office. Then we receive conscience money. From time to time people come into my office and pay up conscience money or send it to the Treasury. I have known people walk into the room and place a sum of money on the table and decline to give any name or take any receipt. We report it to the Board and ask for instructions how we are to take this through the account. We put it into what is called our deposit account of money that we receive. It is generally dealt with as duty omitted to be charged, or some heading like that. Then we have miscellaneous payments which are a variety of payments which occur in the country, which people ought to have paid, but which they have not paid; and the collector having no charge raised, does not demand it, and they are ultimately told to pay it up to us. We sweep up all that throughout the country. This morning I saw a payment come in from a man who lived in a public-house. He had not paid his licence; he had not paid his Inhabited House Duty, or something else, for some time back, and the order came to pay it up. He was down, I think, at Liverpool, but he did not pay it to the collector there. I am really dealing with one room just now. Then we receive Railway Passenger Duty; we are the only people to do that. All the great railway companies pay the Railway Passenger Duty to us. They pay it once, or twice, or three times a year, so that we see exactly what their traffic is. That is all the work of what I may call more or less of a confidential nature that we do, which is quite distinct from what a collector does. Then, with regard to our payments, we have a pay office and a pay clerk. This officer pays the salaries and pensions monthly of the Inland Revenue. I should think he pays away about 250,000*l.* a year in salaries and pensions.

22,521. (*Lord Lingen.*) Do you mean the salaries of the Inland Revenue at headquarters?—The salaries and pensions—a little more than at headquarters—people attached at headquarters are included. Collectors draw upon us for the money to pay their staff. There are 800 receipts we have to prepare and send out monthly.

22,522. Does the Accountant-General, do you know, do anything of that sort?—No, he pays nothing.

22,523. In other branches of the Inland Revenue does he pay any salaries or pensions, do you know?—Do you mean the Accountant-General at Somerset House?

22,524. At Somerset House?—No, he has no money; he has no banking account and could not pay anything.

22,525. He is purely an accounting officer?—Yes. He is always alongside of me checking me in what I do in every transaction every day. Then we pay all bills relating to the Inland Revenue—tradesmen's bills. We repay income-tax, that is, claims, which very often go on for a long time, of people who think they have overpaid their income-tax. When it is settled that they are to be repaid something, and the Board's order comes to me to repay them, that order remains with me for weeks or months, or perhaps a year, until the person comes to get it. A great deal of these payments can now be made by receivable order-cheques, which is a new thing that has been instituted. A receivable order-cheque is a sort of dividend warrant. We send it to the people who are abroad, or in India or Canada, and the moment they get this, on their putting their receipt on it, it becomes absolutely like a bank note, because we will pay it to anybody who presents it, and they are able to negotiate it when there is money repaid them by the State. Similarly, we repay overcharged legacy and probate duty; that is a very large account very often. As you know, very often people pay the legacy duty when the will is proved, and it turns out that the estate is not worth anything like the amount subsequently estimated, and then they apply to have a return of the duty. Then there is the return of the probate duty and the succession duty. Our payments generally—I mean the payments out that we make—amount to about a million and a half.

22,526. (*Chairman.*) Are you solely responsible as Receiver-General for the accuracy of these receipts and payments?—That is a matter of the legal interpretation of my bond. I should not like to admit that I am liable to anything. That is the bond (producing same). I am under security to the Crown for 24,000*l.* for all moneys I receive or pay or received or paid by persons acting under my instructions and on my order.

22,527. Take the most important payment you would make in the course of the day; does that ever come before the Board of Inland Revenue, or does it proceed straight from you?—Straight from me. The order comes from the Board for me to pay. I pay nothing without an order signed by two commissioners.

22,528. Then you are protected by that order?—Yes, as to the amount; I must pay the proper amount.

22,529. Yes; but, that being so, you must pay upon the proper order?—Yes; I do not think I run much risk in payments; it is in receipts, which I will explain to you later on, where I run enormous risks every day.

22,530. That is upon the point of your having to give a bond?—Yes, that is why I give a bond.

22,531. That is rather a dying-out fashion, or custom, in the Civil Service, is it not?—Yes, it has died out very much. I am very much surprised it has in my office. I will explain to you the way in which my cashiers are brought in. When I joined the office they all found security. Now the Treasury have gradually dispensed with that.

22,532. In your opinion, and just taking it shortly, because it hardly bears upon the immediate question—in your opinion, from the work that you have done there, do you see the necessity for requiring all your cashiers and clerks to give these bonds?—Yes; in an office such as mine is, all cashiers should find security and have sponsors too—bondsmen—because they are able, if they knew how, to rob the Revenue, or me, of a very large sum of money.

22,533. That is no doubt the case. I do not know about banks; but in one or two societies with which I am personally acquainted bonds are given; but is it not the case that in Government Departments which receive money the practice is rather changing?—Yes; but it is not so in private establishments.

22,534. I know of several private societies where the custom of requiring security is rather increasing than diminishing?—When this question of the security was raised I applied to the Bank of England, to the Joint Stock Bank, to the London and Westminster, to Messrs. Coutts, Messrs. Herries & Farquhar, and Glyn Mills, to tell me how they dealt with their cashiers, and they all agreed; they gave me their minimum salary, how they were increased; their maximum salary, and how selected. All except the Bank of England selected them specially for their duty. The Bank of England took them by seniority. All of them find at least 1,000*l.* guarantee. The London and Westminster find 2,000*l.* guarantee, Herries & Farquhar find 1,000*l.* and have sponsors. Taking all these banks together, their maximum salary is about 400*l.* for a cashier, and the minimum about 240*l.* My minimum when this return from the banks was prepared was 80*l.* and the maximum 200*l.* My cashiers are not specially selected. I must take any-

Sir A. Slade, Bart.

6 Dec. 1888.

body that comes in. I do not know who he is or where he comes from. He has passed an examination somewhere, and I must place him in charge of these large sums of money although he has given no security. When the Treasury decided upon that I sent a remonstrance to them. I said that I did not think this class of people were included in my bond, because when I took office they did not exist. I took office as Receiver-General and entered into a bond upon a certain system, which was that cashiers were specially selected, were all under guarantees, and were highly paid, and had a good future to look forward to, and a good pension. Therefore, I had to my mind the very best guarantee of their honesty. I would rather have the guarantees of a man being in a good position of life, and having a good future to look forward to, if he behaves honestly, than all the guarantees he enters into by paying so much a year to an office, because that is what it amounts to. The Board of Inland Revenue said if it was not in my bond they would take legal advice. They took legal advice, and they did not tell me what the legal advice was, but I may assume it was in my favour, because they said, "We shall apply to the Treasury to alter the terms of your "bond so as to include these cashiers." I then presented a remonstrance to the Treasury, and pointed out that it would deprive me of both my sureties, because they might say, "This is a new matter altogether," and I might find great difficulty in finding sureties who would come into this very much extended liability. The Treasury decided not to alter the terms of my bond. That is the only decision they communicated to me, and therefore I consider it is still an open question whether I am liable for all these cashiers or whether the State is.

22,535. (*Mr. Harvey.*) Assuming that a cashier overpays 10*l.*, what do you do?—10*l.*?

22,536. Take a cashier to-day, and, assuming that his accounts may come out to be 10*l.* short, what would you do?—Tell him to pay it to me.

22,537. You would call upon him to pay it?—At once, on the spot, I should. But I am not talking of 10*l.*, I am talking of thousands of pounds.

22,538. I would rather come to the actual facts, which probably are more concerned with the 10*l.* than with the thousands. What do you do when the cashier comes to you and says, "My accounts are 10*l.* short to day"?—It is a general rule which I lay down that any cashier who is over—who has got too much—should pay to me, and if he is short he shall pay it out of his pocket that very day. Sometimes it has happened that he cannot pay, and then he borrows from his friends, or he says he will bring it the next day. As a rule they pay it down—it sometimes is rather more than they can pay at the moment.

22,539. Then they pay it to you?—They pay it to me. I enter into a book, "paid by so and so on such and such a day." I hold it a month and take every means to see if we can trace it to the public, but if there is no one who comes forward I return it to the clerk, who keeps it, but I have still the record in the book that the money was overpaid, and he initials for it, so that if the owner turned up it could still be repaid to the public. I had a case of a clerk who had to issue a large stamp for which 279*l.* was the amount that he had to receive from the public. He forgot to take the money, but he gave the public the receipt, and the document went down to the stamping-room, where it was stamped, and the man got his document. Luckily for us, the public came back and said, "Oh, your clerk forgot to take my money, 279*l.*" A lower division clerk at 80*l.* could not well pay that. I do not know upon whom it would have fallen if the public had been dishonest, because he had got the receipt.

22,540. (*Chairman.*) Do you think it is necessary, judging from your experience of the office and your experience of the general practice, to require the Receiver-General to enter into a bond for 24,000*l.*?—Yes; I think the Receiver-General and all the cashiers should enter into a bond.

22,541. You have told us, I think, at all events we know that there have been various recommendations made from time to time for the abolition of this office as a separate office. Has the idea been that the work should be taken over by the accountant and Controller-General, or what has been the idea?—I have never seen that put in writing, but I have seen in writing a scheme to turn it into a chief collector's office.

22,542. That would be merely a difference in name, would it not?—Apparently the same duties would have to be performed—very different duties from what the collector has hitherto performed, the officer would have to perform who came in there. There used to be a collector's office in Somerset House alongside of me, called the Collector of London West. He had 800*l.* a year; he was at the head of a small office there, and I had 1,000*l.* a year. His name was Mr. Johnson; he is now retired. I asked him what was his view of the position. He said, "I would much rather have my office than "yours, because, although I have only 800*l.* a year, you "have unbounded risk, and I have none, because I "receive nothing without an order." Now a man walks into my office, a person we do not know, and says, "I "want to pay my probate duty, 30,000*l.*," and I must take it in bank notes, perhaps, and gold. He hands it to a clerk with 100*l.* a year, and I do not know, and I need not know till four o'clock that day, that the clerk has had it, and nobody in the building knows.

22,543. As your bond covers the responsibility of the clerks, you say that yours is a very responsible position?—Yes.

22,544. What would you suggest if you were starting a new state of things as the best way of getting out of that difficulty?—I would deal with the cashiers like all the banks and every house of business, and I would not take a man as cashier unless I knew that he was in a respectable position, that he was properly introduced, and that he had got a proper and respectable home to live in. The banks always insist upon that—that he must live with somebody. And he must have a good salary, and he must look forward to a good provision for his old age if he lives honestly. A person who is brought in under the Playfair Scheme at 80*l.* a year to go to 200*l.*, I knowing nothing where he came from, except that he passed an examination, that is a most dangerous class of man, in my opinion, to employ as a cashier. That is why I raised that question as to whether those people are under my bond; and that is still open.

22,545. (*Mr. Hanbury.*) How many of these Lower Division Clerks have you got who are cashiers—eight?—I have more than eight now. I have nine Lower Division Clerks, I think, now.

22,546. In the Estimates for this year there are eight Lower Division Clerks put down in your Department?—I know I have only four Upper Division.

22,547. (*Mr. Lawson.*) Only three, I think, according to the Estimates?—That is probably the establishment; and not the actual position. I have one more than that.

22,548. (*Chairman.*) Proposals have been made, have they not, that your office might be turned into that of Chief Collector?—Yes.

22,549. That is a difference practically merely in name, the question of salaries being left out for the moment?—That is perhaps my interpretation of it. I do not think it might be the interpretation of those who put forward that scheme.

22,550. (*Mr. Hanbury.*) How far would it make a change—not very much, would it?—If it is to be the collector's office, the Board of Inland Revenue appoint. My office is in the gift of the First Lord of the Treasury. I am appointed and dismissed by the Treasury. The collectors are appointed by the Board of Inland Revenue.

22,551. (*Chairman.*) Except as regards this bond, wherein do your relations with the Treasury differ from those of a collector except in degree?—Practically there is no difference.

22,552. You are a higher kind of collector, if I may say so?—A higher kind of receiver. Collectors are receivers now. They are not collectors, because, although they used to go round and collect, now they do not. I could just explain to you in a minute the great change that has taken place in the whole principle of collection. When they were established in olden days a collector went down to the different centres and collected the money in the districts. People came to him and paid in coin their licences and duties. Now there are such facilities to the public for paying money in various ways that the London collectors (I am talking of them specially now) do not move out of their offices: they sit in their office and the people pay to them there. But the time has now arrived when all the London collectorates could be abolished, because there are a great many licences which are now issued by the Post Office. You can walk into a post-office and you can take out your gun licence or your dog licence and sundry other licences, and the duty is sent direct to my account in the Bank of England. Then there is the new system, which was introduced only this year into London, called the free money-order system. Any person who has to pay the State anything—

to pay any duty, or to take out any licence—can go into any post-office, the nearest to his house, anywhere, and say, "Give me a post-office order for this amount on "the Receiver-General of Inland Revenue." He gets that gratis. That is a most handy way for the public to take out their licences, whether it is dog, gun, establishment, or to pay any duty. This is sent on to Somerset House to me. We have now begun to issue licences. I made the recommendation as far back as 1877, directly I took office. I saw that it was an absurdity having the collector of London West in Somerset House, as well as myself, when we were both doing precisely the same duties, or duties of a similar character, in receiving money, and I suggested that he should be abolished, and that I should take over his work. That was in 1877. I have a copy of the scheme here, which I sent to the Board, but it had no effect.

22,553. (*Chairman.*) He has been abolished, has not he?—They did abolish him, and I have taken over part of his work now, and there is no reason why I should not take it over and that of all the London collectors—they cost 12,000*l.*

22,554. There are five metropolitan collectors, are there not?—Yes; we could be made general receivers of money in London for all payments.

22,555. (*Mr. Lawson.*) May ask what answer was returned in 1877 to your proposal?—I had no written answer, but the secretary of the Board of Inland Revenue came down to me and said, "I should not "advise you to stir that question, because if it comes to "abolishing, your office will be abolished and not the "collector's." Well, I said, I do not mind what the result is, but I think one of them ought to be abolished; and, mine being the larger office, I should suggest the collector's should be abolished.

22,556. (*Chairman.*) He has been at all events since abolished?—He has not been abolished—he has, I believe, been moved to another part of London.

22,557. I am speaking of the office. I do not mean to deal with an individual now. Do you think you could concentrate in your office the work of those five metropolitan Excise collectors?—Yes; of the whole of them. We should only require a few more lower division clerks; we have plenty of superintending power to direct a much larger office than we have.

22,558. (*Mr. Hanbury.*) Was it in this same year of 1877 that they appointed a deputy-receiver?—In the very same year they appointed a deputy.

22,559. What! in that very year they said that the office would be abolished?—Yes; the very same year that the secretary told me that if I pressed that matter it might turn out that I should be abolished.

22,560. (*Mr. Harvey.*) What was the ostensible ground for appointing the deputy?—I never saw the recommendation that went to the Treasury, and so I am not able to say what the ostensible ground was; there was none shown.

22,561. (*Chairman.*) Then you had not expressed any want of a deputy?—Not the slightest; I very strongly objected to it.

22,562. (*Mr. Lawson.*) We may take it that you made a protest to the Treasury?—Yes; I will read to you my letter to the Treasury, dated 5 Nov., 1877.

"My Lords,—

"I am informed that your Lordships have, upon "the recommendation of the Board of Inland Revenue, "approved of the Chief Clerk in my Office being styled "for the future 'Deputy Receiver General of Inland "Revenue' in the Scheme for the reorganisation of my "Office which your Lordships have not finally settled.

"I was not aware that such a change was contemplated "until my attention was called to the use of the Title in "Official correspondence.

"My office is one of peculiar character, and of great "personal monetary responsibility, and I am under "Bond, both personal and by sureties, to the extent of "24,000*l.*, and am responsible, not only for my own acts "and defaults, but also for the acts and defaults of "persons acting under my deputation.

"Having this in view, and considering generally the "possibility of difficulties in the future arising from "persons having a right acquired independently of the "Receiver General, to sign papers as his Deputy, I "respectfully beg your Lordships to consider this ques"tion, and to recall the proposed Title of 'Deputy "Receiver General of Inland Revenue.'

"I am in the habit, with the approval of the Board, of "giving an authority to the Senior Clerk present in my "Office to sign papers 'per pro of the Receiver General,' "but this is an authority given by me, revocable by me "at any time without assigning reason, and is given by "me to one Clerk or another by name.

"If, however, any subordinate in my Department is "authorised to assume the title of Deputy Receiver "General—there would arise an assumption of divided "responsibility which your Lordships may not have con"templated, and which may involve me and my sureties "in larger responsibilities than we previously undertook.

"If this change in title will make no difference either "in the position or in the power of the Chief Clerk in my "Office, then I respectfully submit to your Lordships "that it is not desirable nor necessary to make the "change.

"If, however, it will cause any difference, then I "respectfully submit my request to your Lordships on "my own behalf and on behalf of my sureties, that we "have time clearly to understand the change to be "effected, and to consider its consequences before it is "finally decided upon.

"I have the honor to be, My Lords,
"Your obedient Servant,
"ALFRED SLADE,
"Receiver General of Inland Revenue."

22,563. (*Lord Lingen.*) Was that sent direct by yourself to the Treasury, or was it sent through your board?—I first sent it to Mr. Stanley, who was then secretary. I had not been Receiver-General very long. Mr. Stanley wrote me a letter and said, "I think you had better send "this through the Board of Inland Revenue;" and I did send it through them.

22,564. Then you do not know whether they accompanied it with any comments to the Treasury?—No, they did not show me what they did; they sent me the answer of the Treasury.

22,565. (*Mr. Harvey.*) Do you know that it went on to the Treasury?—Yes, because I have got the Treasury's answer, signed by Mr. R. R. W. Lingen, to say that "they "do not consider it necessary to disturb the arrangements "recently sanctioned under which the title of chief clerk "of his department has been altered to that of Deputy-"Receiver-General"—they give no reasons.

22,566. (*Mr. Lawson.*) May I ask whether it was an alteration in title only or an alteration in salary as well?—There was a rise of salary as well. I think it was an increase of 100*l.* a year. I am not quite sure.

22,567. But it was not the appointment of a new officer?—No, he had been the chief clerk in the office. I said that my appointing a deputy was a different thing, because I could revoke it at pleasure if I had reason to mistrust the man who signed cheques for me; but, when the Treasury appointed him, he was absolutely the Deputy Receiver-General.

22,568. Did the Treasury appoint the deputy personally?—No; the Board appointed with the sanction of the Treasury.

22,569. (*Chairman.*) To go back to the recommendation which I understand you to make now, that you might consolidate in your office the five metropolitan Excise collectors. Before coming to that conclusion you have gone, I presume, thoroughly into the nature of the work which is done by these collectors?—Yes. I am thoroughly acquainted with it—of course I am speaking of their indoor work. In a collectorate there is the officer who sits inside, who is called the collector and who is the receiver. Outside there are two separate establishments, one managing Excise, the other stamps and taxes; and although, as your are aware, forty years ago a Royal Commission similar to this advised the amalgamation of the Excise and stamps and taxes, and it was amalgamated by statute—although they are outwardly amalgamated, they are practically two separate establishments, with separate offices. In every district there is a Supervisor of Excise, who looks after all excise matters. He sees that people who keep a tobacconist's shop have taken out a tobacco licence; if they have not, he gives them notice to do it, and says, "go and pay the collector." The collector does nothing but receive the money. On the other hand, there is the Surveyor of Taxes, who looks after all the income-tax, property-tax, and the inhabited house duty—he does that quite apart from the collector. That is going on simultaneously. Now it is just as easy for the Supervisor to say, "Pay the Receiver-General of Inland Revenue at Somerset House—send a cheque if you have got a banking account,

Sir A. Slade, Bart.

6 Dec. 1888.

if not take out a post-office order, which you can get free, and you need not pay the postage of the letter, and to send it, therefore, will cost you nothing."

22,570. (*Mr. Harvey.*) You do not take a cheque do you?—I take an enormous quantity of cheques. When a cheque is taken I do not part with the stamp or document until the cheque is realised.

22,571. Do you not send a receipt?—I send an interim receipt, "Received your cheque," but he does not get the document stamped until I know it is cleared.

22,572. Take the case of a man in the country under the proposed alteration?—I was only talking of the London collectors, but it would not make much difference, I think.

22,573. You do take cheques?—Yes, I take an immense quantity of cheques every day.

22,574. I am not talking of taking bankers' cheques—transfer cheques on the Bank of England, for instance. Do you take the cheques of private individuals?—I have got an order from the Board as to what cheques I may take, and it includes a variety of people, amongst others it includes the cheques of any public company. Those I actually take and pass value for, but if a private person sent me his cheque and said: "I enclose you a cheque "for my probate duty," I should realise the cheque before I sent him the probate.

22,575. (*Mr. Lawson.*) I should like to know something more about those five metropolitan excise collectors. Would you be good enough to say whether they are placed in different quarters of London?—Yes, one is placed in Great Winchester Street, one is placed at Kensington, one is placed somewhere in South London, one is placed at North Hampstead, and one is placed somewhere near the Tower, I think. I think they are called London East, London North, London South, London Central, London West.

22,576. (*Chairman.*) I suppose they are placed there for public convenience?—They originally were. At first it was a great convenience to have a collector at these places, because people did not send the money by post—they had no means to do so.

22,577. Now you think that these things have changed, but, if it was proposed to remove those collectors and bring them on to Somerset House, would there be any outcry?—I do not think the people would know it, because the supervisor or the surveyor of taxes tells them where to pay, and very often the collector is far away from them. Take where I live, and the collector that I should have to pay to—the surveyor of taxes lives at Portman Square and the collector lives at Hammersmith.

22,578. You mean if you paid the collector in your district?—I should have to send it by post, therefore I would just as soon send it to Somerset House. Most people would rather send it on to head-quarters.

22,579. Are you aware whether or not the public make the great majority of payments which are received by these five collectors through the post?—No; I have no knowledge of that. I do not think the public have yet grasped this free money order system. I do not suppose one man in a thousand knows that you can now pay taxes by means of a post-office order which costs nothing.

22,580. (*Mr. Lawson.*) But I understand you to say that the collector for North London is at Hampstead?—Yes; in Hampstead Road.

22,581. There are many parts of North London which are much nearer Somerset House than Hampstead Road, are not there?—Very many. I tell you people are continually coming to Somerset House for me to issue licences because the collector is so far off. That is since the collector has moved from Somerset House. During the last year I issued two thousand. Then there is another thing affecting the position of collectors, that is the new local taxation under the new Local Government Act. Certain things are to be collected in a certain circle for a single county council. Now the collectors' boundaries are not conterminous with the county boundaries, therefore we shall have an immense complication of accounts. The collectors will have to separate everything they receive by maps, but these new counties are not even conterminous with the large counties of England.

22,582. That would not operate in London?—No, it all comes into London—everything received in London—as I understand to be applied there.

22,583. (*Mr. Harvey.*) Take the ordinary small tradesman in London who has to pay his income-tax under Schedule D. He pays to the collector, does not he?—Yes; the Surveyor of Taxes would tell him to pay to the collector.

22,584. You would not propose that he should walk down to Somerset House, would you? The local collector is probably much nearer to him than Somerset House is?—Yes; but the local collector will in many cases not be so near as the post-office. I propose he should go to the post-office and say, "Give me a money "order payable to the Receiver-General of Inland Revenue for, say, "1*l.* 17*s.* 6*d.*" There would be nothing to pay, there is no difficulty, and in fact nothing to do but to put it in an envelope and direct it to the Receiver-General without paying the postage. As soon as the public know that they will never pay it to the collector.

22,585. (*Mr. Lawson.*) Are they aware of these new conditions?—I have never seen a circular announcing them.

22,586. (*Lord Lingen.*) Let me ask you one question about the collectors. Can you explain why the collectors are put down in the Estimates at page 38, as under the outdoor excise? Do those collectors collect taxes also? If a man wants to pay his license could he go to the collector and get it from him?—Yes; all excise licenses which do not require entry—that is a technical term—entry means where you have got to register the place where any special business is to be carried on, like a tobacconist's shop. All other licenses you can get at a post office. Or again, if they go to the collector the collector would receive the money, and would issue the licence to the public.

22,587. Supposing a man had to pay income tax, would the collector receive that if the man wished it?—Yes. The surveyor gives him a notice to pay to the local collector.

22,588. He would pay it; but the person, A. B., that owed the income tax, to what officer of the Inland Revenue would he pay it?—To the collector through the local collector.

22,589. Then why do they return the collector under the outdoor Excise? One would think he ought to appear in some neutral position?—He is in a neutral position.

22,590. On page 38 of the Estimates you will find the collector is returned under the outdoor Excise; and at page 40, where they are dealing with the Taxes Department, we find Superintending Inspectors and Inspectors; but the highest local or district officer there appears to be the Surveyor of Taxes. Now the collector ought really to appear in that part of the Estimate as well as in the other, ought he not?—Yes. The collector is both a receiver of excise and a receiver of stamps and taxes.

22,591. Framing the Estimate in that way is a little misleading, and I did not quite understand it. He collects, in fact, everything, if people choose to go and pay it to him?—Yes; everything.

22,592. (*Chairman.*) In your opinion, these collectors need not be localised in all parts of London?—Not in London any longer.

22,593. But as far as the convenience of the public is concerned, it would be just as convenient for them to send to Somerset House?—Yes. Owing to the facilities now afforded them of getting most of their licences in post offices they need not go to the collector, and if they cannot do it at the Post-Office they can get a Post-office order and send it on to me. It is less trouble for a man to pay it through the Post-Office.

22,594. (*Mr. Harvey.*) Does that apply to all transactions?—Everything.

22,595. Can I pay my income-tax under Schedule D in that way?—Yes.

22,596. (*Chairman.*) Everything can be paid in that way?—Yes.

22,597. It is now true, is it not, that the Receiver-General's Office is not fully employed—at all events, the Receiver-General's time is not, and probably these suggestions have arisen from the fact that there is not very full work for him?—No doubt I could superintend a much larger establishment than I have to superintend, and ever since I have been in Somerset House I have persistently impressed that upon the Board. Their bias has been the other way—to abolish me and have a collector. Perhaps in their opinion it is more symmetrical to have a collector.

22,598. You have had a natural desire to make your own office more important?—And larger.

22,599. And you now make these suggestions for the improvement and economy of the public service?—Yes.

22,600. Have you estimated how much it would save to bring the collectors in?—Yes. I take it that the London collectors cost from 10,000*l.* to 12,000*l.* a year—that is, the indoor staff. It might appear that making a suggestion of that kind would cause a large burden to be thrown on the pension list; but I would suggest, with reference to the whole of this staff in London, that some of them should come to me—some of the lower grade, I mean—and that the rest should be absorbed in the country collectorates, of which there are over 100. There must be a great many places in them. They must have 700 or 800 places, and they could absorb these men.

22,601. At all events, looking to the normal condition of things, and taking care that any change, if made, must be introduced gradually, I understand you to say that you see your way to a saving of some thousands a year?—I do.

22,602. (*Mr. Lawson.*) That is, allowing for the increase in your own office?—Yes; a few lower-division clerks. A few hundreds a year would do that.

22,603. (*Lord Lingen.*) You would consider the increase in your own office would be rather transfers, would you not?—Transfers.

22,604. From other departments?—From the collectors abolished.

22,605. You would not propose, as part of your schemes, that additional clerks should have to be appointed, but only clerks that are now employed?—Yes; they would be absorbed.

22,606. Transferred to you?—Yes, instead of pensioning them. I would also suggest, while I am on my office, that the office of Receiver of Fines and Forfeitures in London—this is another little receipt-office—should be entirely transferred to mine.

22,607. What are those fines for—selling without licenses and that sort of thing?—They are rather peculiar things. The office is called in the House of Commons Estimates "The Receiver of Hereditary Revenue." It appears that he receives but very little money.

22,608. (*Mr. Harvey.*) Who is the present receiver?—I do not know.

22,609. (*Mr. Lawson.*) Where does he come in the Estimates?—It is very difficult to find. He is somewhere. I once found it out—the Receiver of Hereditary Revenue or Fines and Forfeitures—he is called both.

22,610. (*Mr. Harvey.*) He is not in the Revenue Estimates, is he?—I do not know whether such a person is there. It appears somewhere in the Estimates, but I am not speaking from any knowledge of it. As far as I can make out he does not receive so much money in the course of the year as his own salary.

22,611. Look at page 519, Class 7, "Salary of Receiver "of Hereditary Revenue." The Receiver has 300*l.* and the allowance to the Receiver for office expenses is 145*l.* That is the officer you refer to, I think?—Yes; and I think the total actual receipts that he receives are about 200*l.* a year.

22,612. (*Chairman.*) That also, you think, might be added to you?—Yes; without any increase to my staff—it is nothing—for this reason, it is all paid to my account now. He pays it in bulk to me once in three months, I believe. The whole of his staff would be saved the office, and his salary, even if he was pensioned on his full pension.

22,613. (*Mr. Lawson.*) Have you made that suggestion before?—Yes; I made it once to the Chancellor of the Exchequer.

22,614. To the Treasury?—I made it personally to the Chancellor of the Exchequer, and he said it was a matter that this Commission ought to look into.

22,615. (*Chairman.*) These suggestions that you now make to us with reference to bringing the collectors into your office—have you made them to the Board?—Yes; I made them first in 1877 and then in 1887. When I made it to the Board this was the reply I got:—"I do "not think the London collectors of Inland Revenue"—this is a letter from a member of the Board to me—"should have their work handed to the Receiver-General. There is a good deal of personal communication between collectors and important traders. Moreover, the discipline of the collection must be exercised, and especially so after the recent "order of the Board by some chief "officer." I did not answer that, because I would not contradict it; but I know practically, because I have often talked to the collectors, that the whole of the discipline outside of the office is carried on by the Supervisor of Excise, and if the Supervisor of Excise does not do it he can do it; he is there; and he is again superintended by the Inspectors in Somerset House, who should periodically go down. They must still remain. The Supervisors of Excise are the people who do the outdoor work and go about the streets, and they know where any shops are opened that ought to take out licenses. The Collector does not do that at all.

22,616. (*Mr. Harvey.*) Do you think the same argument would apply to the surveyor of taxes?—The collector has no control over the surveyor of taxes whatever. He is an entirely independent officer; he receives his instructions direct from Somerset House. Reading the instructions the Board send to supervisors I find that they are never told to go to the collector. They are told if they make a seizure of any goods to report it to the Board; if anything happens, report direct to the board. That is what the supervisors do. They are under a department of Somerset House which is called the chief inspector's. These inspectors are periodically sent out—they have a large staff there—to the different parts of London, and to the provinces.

22,617. (*Mr. Lawson.*) Have the supervisors and surveyors the same office?—No; they are quite separate, although in theory they are members of the same department.

22,618. (*Mr. Harvey.*) I understand your contention to be that the personal influence and the personal colloquies are between the surveyor and the public and the supervisor and the public, and not between the collector and the public?—That is so. I should just like to add that since I have been Receiver-General, although my office has been decreased, chiefly upon my suggestions, from a staff of twenty to fourteen, and the cost of the office has decreased from 6,750*l.* a year to 3,921*l.* a year, while this has been going on—that is to say, a thirty per cent. reduction in clerks and a forty per cent. reduction in the cost—the work has increased in many cases 200 per cent. The first year I was Receiver-General the total passed through my accounts was 43,000,000*l.*; last year it was fifty-six and a-quarter millions. I do not give that as a test of work, but all taken together show the increase of work. In the first year I was Receiver-General I received over the counter by my clerks, 7,000,000*l.*; last year I received over 9,000,000*l.*

22,619. (*Mr. Harvey.*) Have you got a record of the number of transactions?—Yes. The number of remittances received by post in the year I went there, was 20,239. You know that all that come by post have to be very carefully opened to see what they are about—it is endorsed on the letter what they are—then they are entered into a book, and then a proper receipt is sent to the person who sent them. There were, as I have said, 20,239; last year there were 39,000, which is an increase of nearly 100 per cent, The number of cheques that I had to sign the first year I was there was, 1,908; the number of cheques I signed last year was 4,709, or an increase of 125 per cent. The number of special payments received at my office in the first year was 3,966, and last year it was 9,800, being an increase of nearly 200 per cent. The number of country legacy accounts passed was *nil* the first year I was there, and there were 30,000 last year. At the same time, while I am saying that, I must put down that a few small items of work were taken away from my office, but the balance, on the whole, has increased. The following work was taken away. Certain distributors of stamps were abolished; this reduced the then work of remittances by about one-third, but, as I read to you, the total work of remittances has increased 100 per cent., notwithstanding that reduction. The next item is the purchase of postage stamps by the public. That was a purchase from me of about 370,000*l.* of stamps a year, and now they only purchase 30,000*l.* worth, because a discount is not allowed to private people purchasing stamps now. They used to get 1 per cent. discount if they came and bought these stamps in bulk. I had a clerk reduced immediately that was taken away. The sale of small impressed stamps from 6*d.* to 5*l.* is now done by recording presses; it used to be done by my clerks. I had two clerks abolished when that was taken away. Those are the only items of work that have been taken away.

22,620. (*Mr. Lawson.*) When you say abolished do you mean that those clerks were transferred?—Some were transferred and some retired—some pensioned. During the time I have been there I have had six clerks pensioned

Sir A. Slade, Bart.

6 Dec. 1888.

under sixty years of age, on pensions from 125*l.* up to 300*l.*

22,621. (*Mr. Freeman Mitford.*) With abolition terms?—I believe of these certainly five got abolition terms, that is to say, they got some years added to them to induce them to go: but that is always the result, you know, of re-organisations or amalgamations.

22,622. (*Mr. Harvey.*) Are your cashiers among those eight lower-division clerks on the Estimates?—Yes; all my cashiers are lower division.

22,623. What do the three senior clerks do?—Do you include the deputy?

22,624. No. I leave the deputy out?—The first senior clerk deals with all that important work which I read to you, called the confidential work. He deals with that partly. It is more than he can do, and he always has to be assisted, but it is all under him. In addition to that, he is supposed to prepare all the accounts for audit. Of all these vast sums that we spend we have to send in monthly a statement to the Audit Office, giving the number of the Parliamentary vote under which this money has been paid away.

22,625. That is accountants' work?—Yes, but we have to prepare it.

22,626. Still, that is accountants' work entirely?—Accountants' work entirely—clerical work.

22,627. What does the other senior clerk do?—The other senior clerk acts as pay clerk. He is the pay officer, and he pays away, as I explained to you, about a million and a-half a year. He pays all the salaries.

22,628. Then your receiver of Duties is a lower-division clerk, but your paying cashier is a senior clerk?—Yes, my receiving cashier, being in the most critical place, takes any amount of money as receiving cashier, but the pay clerk does not take anything.

22,629. As to this confidential work. Suppose a trader wishes to make a confidential return, and he fills up his form and sends it to Somerset House; after a time the order for payment is issued, which is sent, is it not, to the surveyor of taxes at Winchester House—supposing the trader is in the City of London?—I think the surveyor does sit there, at Winchester House. Do you mean the receipt?

22,630. No, the order to receive. I believe I am right in saying that Somerset House issues a document which is sent, under cover, to Winchester House, which is in fact an order to Winchester House to receive a certain sum of money from a particular trader?—Yes.

22,631. Does not the trader as a rule pay that to Winchester House?—I cannot tell you what he pays to Winchester House, I can only tell you what he pays to me.

22,632. Would you say that the actual payment of that money was a confidential element? If the trader walks into the Receiver-General's office and pays a certain sum of money, do you think the actual payment constitutes the element of confidence? Does not the element of confidence consist in his return, which is between the Somerset House authorities and himself?—That is so, but in my case the element of confidence is that he gives me a cheque in his own name, or his firm does. I tell you that occurs in nineteen cases out of twenty.

22,633. Say the firm gives you a cheque for 1,000*l.*, what can you learn from that?—I know that is income-tax for the year 1887. If it is 6*d.* in the pound, I divide out the number of sixpences and I know the income of that man.

22,634. As a matter of fact is not Winchester House in exactly the same position?—I cannot speak to that. I do not know that it is; I was not aware that it was, I was not aware that they received any special payments. There is a stamping department at Winchester House, but I do not think there is any department for the receipt of special payments.

22,635. Special payments are made there as a matter of fact; but still I want to emphasise this, that in the particular payment of that cheque, although your clerk or any one of your cashiers may learn that it represents income-tax, he cannot know what it represents?—He must, or he could not bring it to account: he is obliged to know exactly what it represents; if he does not know, he goes over to the Special Commissioners' Office or refers to the secretary, and says, "What is this?" They say, "Income-tax, 1887-88." He must know that, or he could not prepare the accounts.

22,636. Then, in fact, do you mean to contend that there is no actual confidence at all?—There is the confidence if the public choose to avail themselves of it, although they do not, because they draw a cheque.

22,637. It is hardly a confidence if it is known to the whole of Somerset House?—It is not known to the whole of Somerset House.

22,638. I beg your pardon; if when this money is paid every clerk concerned in it can argue that this is a particular trader's return under Schedule D, and if he is not quite clear upon it can go to some other department and be told that it is his return under Schedule D, does it not strike you that the confidence becomes not to be very valuable?—Yes; because the other department he goes to is the Special Commissioners' Office, who are the very people who have to institute the charge—they do know and they are sworn to secrecy. That is the office he goes to. They will tell him what it is. He says, "E. 25, and some date, has paid me this." They look at their book and say, "That is income-tax." They do not tell to my clerk who it is, but my clerk, having got a cheque for 2,000*l.* from a large firm, he knows exactly who it is.

22,639. But you would not take a cheque of a large firm as a matter of course, would you—would you not expect to have a transfer cheque from a banker or actual notes and gold?—For such a thing as that I take anybody's cheque, because it does not discharge his estate; if the cheque is not realised we still go on at him.

22,640. Then you really do think that the manipulation of that particular cheque does constitute an element of confidence?—Certainly. I know a great many things which I should not like to say that I know about people's incomes which come to me in the most accidental way, from having to indorse the cheque drawn in my favour.

22,641. What is in the trader's mind is that his return which he has sent is an absolutely confidential document between him and the Commissioners, and when he pays his money at Somerset House—which he can do by notes or gold—that it falls into the ruck of a host of other transactions which no one knows anything about?—Quite so, and if he did not send a cheque in his own name it would be quite confidential, and we should have no clue to it.

22,642. As to the dividends on the foreign loans, I take it that there is no element of confidence there that is at all important?—No, I do not think there is.

22,643. There is nothing in that at all?—No; that was only part of the work done by a particular clerk, that is why I brought it in.

22,644. What I wanted to get at is the value of the claim which you set up for special treatment on the ground of confidence. I venture to say that so far as the demands of dividends on foreign loans are concerned that is an absolutely immaterial matter?—Yes; I have brought that forward as different work from a collector's work. I was mingling the two things together—work which was both confidential and different. I do not think anybody receives those but our office.

22,645. Do you exercise any sort of supervision over the receipt of revenue anywhere?—Outside of my office?

22,646. Outside of your office?—No; I do not exercise any.

22,647. You do not go to a collector anywhere and say, Show me your books?—No; I do nothing at all of that kind.

22,648. Who does look after the collectors?—The Secretary, I should think, or the Chief Inspector, but I really do not know. It is not in my department.

22,649. Talking of the local collectors, who sees that they pay over their money promptly?—They have to send in their weekly or monthly sheets, which the accountant checks. We are checked every day and we pay in every day. I think they do it weekly or monthly.

22,650. As to the payment of probate duty, you said that a large sum may be paid in for probate duty, and that if your cashiers were dishonest you would not find out that they had been dishonest till the end of the day; how do you know then what has been paid in?—In some cases I do not know, because a person walks into Somerset House and wishes to get his probate stamped. He has got to pay say 20,000*l.*, he prefers to pay it say in bank notes and gold. Some people are very reticent as to how much the estate is to which they have suc-

ceeded, I suppose for their own reasons. He says, "Where am I to take out the probate stamp?" Somebody says, "There, that gentleman will take it." He goes to him and he says, "Fill up a warrant for a probate "stamp for such an amount." My clerk takes the money, and initials it as received "pro the Receiver-"General."

22,651. Pardon me, what authority has your clerk to take the money?—The only authority is this: The public has raised this charge himself. This is his vouching, it has not been seen by anybody till that moment.

22,652. How does he know what amount he ought to pay?—He does not care provided the public will buy stamps. We will sell him any amount he likes, but the man has probably had a notification from the Probate Office to come.

22,653. Your cashier simply says, "Pay me 20,000*l.* and "you can go and get stamps to that extent from another place"?—"Give me the document and I will pin this "warrant on to it, to show that I have got the money. "I will give it to a boy, you follow the boy and he will "take it to the Stamping Department to be stamped "and give it to you." We generally say, "Come back in "two hours," as it generally takes some time.

22,654. Does that clerk decide for himself what ought to be paid on that document?—No; the public knows, and he is told. The public says, "I want the probate "stamp on that document." I do not think the probate is marked before.

22,655. Then your office, I take it, is one in which you would say that the supervision could be effectively carried out with a very small number of superior officers?—Yes; as it is at present constituted, I should say that a receiver-general and two principal clerks, and two senior clerks, who would act as the pay clerk and remittance clerk, could superintend four times the amount of the lower division clerks that we have got now.

22,656. (*Mr. Lawson.*) Do you suggest that four times the number of lower division clerks might be needed?—No, I do not conceive it would be possible to require that in order to do the collectors' work in London.

22,657. (*Mr. Harvey.*) On what authority do you draw a cheque?—An order of the Board signed by two commissioners which comes to my pay-clerk. As soon as the Board passes the order it goes down to him. He files them and keeps them arranged. Then the public come to him to receive the money. The public have had a notification that on application to the Receiver-General the money would be paid. They bring this notification and say, "We have come to receive the money." He looks at it, sees that the warrant is all right, agrees the name, makes the man sign the receipt, and then draws a cheque, pins the receipt on to the cheque, calls a messenger, and sends it to me. I look through the cheque and the receipt, see that they agree; I enter it into a book and take and sign it. Then it is taken to the Accountant-General, who countersigns it on my general account, because the Bank of England will not pass anything out of my general account until it has been countersigned by the Accountant.

22,658. Did you ever have a complaint that it takes a very long time to get the cheque from the Receiver-General?—Yes. I had innumerable complaints the first five years. After a great deal of trouble (I have got a very long correspondence with the Board upon it) I at last persuaded the Board to allow me to have a large rest of £1,500 always at my disposal, so that now any such delay for small sums is not possible, and I pass cheques rapidly through.

22,659. After a man has got his documents in order, how long does it take to get a cheque from the Receiver-General now?—Five minutes. Three minutes, sometimes.

22,660. (*Lord Lingen.*) Does the whole receipt of the Inland Revenue go through your office?—Yes, all revenue except the Customs.

22,661. We will exclude the Customs?—I think the whole receipt of what is ordinarily called Inland Revenue passes through me.

22,662. All the revenue for which Somerset House is responsible goes through your office?—Yes; or through my account at the Bank of England. Large sums are sent up from the country to my account at the Bank of England.

22,663. That I was wanting to come to. Do the fifty-six million pounds that you speak of include the money that is paid direct to your account at the Bank of England?—Yes, certainly.

22,664. How much is paid directly into your office at Somerset House?—By the return I read to you, last year I took over nine millions over the counter.

22,665. So that about from 45 to 48 millions out of the 56 millions are not paid through your office at all, but directly into the Bank of England?—It is not paid into the Bank of England through my office, but it is paid out through my office.

22,666. I am speaking now of what is paid in; out of that 56 millions 45 or 48 millions are paid to your account in the Bank of England?—That is so.

22,667. With the receipt of that money in the Bank of England, except seeing it into your account, you have nothing to do?—Not with the receipt of it.

22,668. Now, with regard to the payments that you make out from your office; does every clerk in Somerset House on the pay-day come to you for his money, or do you issue pay-lists to the heads of the departments?—In a few cases I issue pay-lists, but the majority come.

22,669. Come to you personally?—To my pay clerk.

22,670. You do then for the staff in Somerset House what the Paymaster-General does for the service at large?—That is so.

22,671. How much money do you issue? You very likely stated it in your evidence before, but if you did I did not catch it—how much do you pay out per annum, speaking generally?—A million and a half.

22,672. Those payments are wholly in salaries or almost wholly in salaries, are they not?—Repayments of duties.

22,673. These would be rather corrections of payments; but the bulk of your out-issue is salaries?—No; the salaries would not amount to one-eighth part of it, I think. I do not think the salaries amount to above 250,000*l.* a year.

22,674. Not in all Somerset House?—No, I generally sign a cheque for about twelve or fourteen thousand pounds a month for the salaries.

22,675. Would you tell me under quite general heads what besides salaries you pay out—under what heads of payment?—Yes, I will give you that; I had it in the return before me just now—Pensions, payments of tradesmen's bills, repayments of income-tax and probate duties, payments of receivable order cheques.

22,676. What would those be generally?—Those are many miscellaneous payments that I get a direction to the Board to pay to people. Some of those are even pensions, I think, now. I think we send to people abroad a receivable order. Then there are also overcharged legacy, succession, and probate duties. The probate duties, as you know, are numerous; there is hardly a large will proved which has not a return of probate duty on it.

22,677. Supposing that it were suggested that the nine millions which you receive directly should be like the other forty-five millions paid directly into the Bank of England, and that, if that were done, your office would be unnecessary—I am not giving that as my own opinion, but I am only putting that case to you—what would be your answer to that?—My answer to that would be that the Bank of England would probably require a much larger staff than I have to receive and give those receipts.

22,678. But they would do it all for their one per cent., or whatever it is, for managing Government business, would they not?—I believe they were asked if they would deal with my remittances which came by post, and I believe the price they asked to pay for it was so high that it could not be entertained. I think that the remittances sent up by collectors and different Inland Revenue officers throughout the country to me to be placed to their credit is really the only part of my work that might go to the bank, but then the bank would charge so much more.

22,679. (*Mr. Harvey.*) They are bills drawn in your favour, are they not? For instance, the collector at Leeds goes to Beckett's and gets bills on Glyn's drawn in your favour?—That is so.

22,680. Will you tell us exactly how you deal with those bills—does the collector remit them to you?—Yes.

Sir A. Slade, Bart.

6 Dec. 1888.

22,681. What happens then?—I have one clerk who deals with that alone—the remittance clerk.

22,682. You endorse the bills?—Yes.

22,683. And send them to the Bank of England?—Yes.

22,684. And that is all you have to do with them?—That is all I have to do with them; they are realised. Then, with regard to transferring to the Bank of England, I should like to add one thing else about it, which is that the Accountant-General's office adjoins mine, and he checks every receipt and payment I make. I do not know how he could do that at the Bank of England. He knows what the collector ought to send up, and, if the collector does not send the right amount, he writes to him. I do not know what the collector ought to send, I merely inform the Accountant what I receive from the collector at Leeds.

22,685. (*Lord Lingen.*) Still we have got the fact that the overwhelming bulk of the revenue is paid directly into the Bank of England?—Yes; the bulk of it.

22,686. You receive nine millions out of the fifty-six?—I do not include in that nine millions any of these remittances, and I have no idea what they amount to.

22,687. Still, if the total revenue is fifty-five or fifty-six millions, and you receive about nine or ten millions of it, the residue of that which goes to the Bank of England is as 45 to 55?—Yes, except what is passed through my office in the shape of remittances, which, as I answered another Commissioner just now, I merely endorse and send on, and inform the Accountant what I have got from the collectors.

22,688. What would be the amount of the remittances that you endorse in that way?—The number I endorse?

22,689. No, the amount?—I have no idea of the amount. I could not state it—it might be millions.

22,690. Do you think it is five millions?—I should say it is twenty millions.

22,691. As I understand, you do nothing but endorse those cheques—you do not verify the amounts; and have no responsibilty for them except sending them on to the Bank of England with your endorsement?—That is all. I enter them into a book. I send a list to the Accountant, so that he knows what I have taken.

22,692. Now these special assessments of income-tax that are paid into your office—you receive, I suppose, notice from the Special Commissioners of how much ought to be received in those cases—is that the process?—No, the public bring a little bit of paper, which they have got from the Special Commissioners, which has got a letter and a number on it, and the amount and a statement saying what it is—he brings that in to me and says: "I wish to pay that amount."

22,693. Then, practically, you, from knowing that paper and knowing the initials, that is your authority for the sum that you are to receive—it is a sort of advice that you are to receive this sum?—That is an order to me to receive it. I retain that paper as my voucher.

22,694. You have nothing to do in that case with how many of those payments there are; but simply, as you receive these pieces of paper, you take the amount of money that is named in them?—Yes.

22,695. And in the same way with the arrears of income-tax—I suppose you receive from some department or other in Somerset House the papers with the sum you are to receive?—Yes, the whole of the correspondence.

22,696. But as to the total amount of arrears, and whether this is the first of the whole series or the last of them, that does not come to your knowledge at all, you have only to receive so much as arrears?—That is so, unless I read the correspondence.

22,697. And the same with unpaid taxes, and the same, I presume, with the composition for the Corporation duties, the 5 per cent. payment on their income and the foreign dividends—all those you merely have to receive—you do not exercise any check whatever on how much may be outstanding under any of those heads, you only have to receive the individual payment?—That is so.

22,698. (*Mr. Lawson.*) Has it ever been proposed, to your knowledge, to amalgamate your office with the Accountant and Comptroller-General's?—I have never seen any such proposition.

22,699. Of course there was an office of Receiver-General at the Customs, and in that case do you know whether that line of amalgamation was followed?—It was partly followed; but if you were to analyse it out in the Customs you would find that a great deal of the work that used to be done by the Receiver-General is now done partly by the Collector of the Customs and partly by an officer called a Cashier—a highly paid officer.

22,700. Then the work is done separately still, although there is not an officer of that name?—That is so.

22,701. What are the duties of the Deputy Receiver-General now at your office?—The Deputy Receiver-General's first duty in the morning is the same as when he was the Chief Clerk. He has the key of the Strong Room, where all the cash balances are put into boxes, and various documents. He goes there and he opens that, and he opens all the letters that arrive, and gives them out to the different clerks they refer to.

22,702. He opens the letters, do you say?—Yes.

22,703. Is not that work generally done by an officer of a lower standing in most departments?—When I say opens the letters, I mean he sorts the letters. He knows the matter of most letters. He sees some are remittance letters, there may be fifty or sixty or a hundred of those, and he puts them in a box and passes them to the remittance clerk, who really opens them. Any letters that he does not know what it is he sets aside at first, and after he has dealt with the others he opens those letters.

22,704. Is not that work which might be done by an ordinary lower division clerk?—I think it is desirable that an upper clerk should go through the letters in that way, as many of them are confidential and contain money.

22,705. What else does he do?—He attends to various miscellaneous work throughout the day, there is always something extra going on in our office. We have now had lately for the last year what is called the amnesty penalties thrown upon us. You will remember there is an Act passed to enable people who had evaded some of the duties, if they brought their papers in before December 31, to get them stamped without paying the penalty. I think that is the purport of the Act. It gives rise to very complicated cases, requiring a great amount of care and looking after. He is dealing with them. When I am endorsing remittance bills he signs cheques. People come for cheques, and we do not want to keep them waiting, and so he has a deputation from me to sign cheques.

22,706. First, as regards the Amnesty Act, that is a passing duty, is it not?—Yes; I hope it will disappear this year, unless it is extended.

22,707. As far as you know, the time that is taken up in doing that work will be otherwise available next year?—Yes.

22,708. What power has he to sign any remittances?—He has got complete power from me.

22,709. From you?—Yes; I have given him a procuration.

22,710. Could you tell us, on an average, how many bills you endorse every day?—I should say the average was about 40 or 50. I have seen it up to 200, and I have seen it down to 25.

22,711. Of course it is very much greater at certain periods of the year than at others?—Very much greater during the first quarter of the year. Then there are certain days of the month when they come in, the 26th and the 1st, I think.

22,712. May we take it that the Deputy-Receiver-General has a general power from you to endorse bills?—Yes; he can sign *per pro* of me.

22,713. Does he, as a matter of fact?—Yes; he signs.

22,714. As a matter of practice?—Yes; he signs continually if ever I am not there; he signs everything.

22,715. But you and he are occupied really in doing the same work?—Yes, we are.

22,716. And the only duty which belongs to him separately and specifically is opening the letters in the morning?—In the evening he makes up the accounts.

22,717. What do you mean?—We make up a large account of everything we have done in the day in a book; the Accountant comes in, and he says, "You have received so much in the day," and we have to, what is called, "agree our totals." That only requires a skilful man of figures to do it, but as a matter of fact he does it; therefore he remains there till the end, and then he locks up the strong-room.

22,718. I understand from what you say that the position of Deputy-Receiver-General is really from any point of view less responsible and less laborious than that of the senior clerks?—Yes; in fact he helps me.

22,719. And even that of the one lower division clerk who is the head of your receiving department and really receives the money—you said that, did you not, that the lower division clerk is the receiver really?—There are several lower division clerks who receive; they have constant work to do, and can never leave their seat.

22,720. Was there any special work at the time the Deputy-Receiver was appointed, that is, in 1877, for which you required assistance?—No; I should say it was less then than now.

22,721. Is your office still organised on the six-hour scale?—Now it is seven hours.

22,722. Since when?—I got it done last year; I was many years at it before I could get it done. I think it was on January 1, 1888, that we began the seven hours.

22,723. Is it seven hours throughout?—My office is seven hours.

22,724. I mean for all the clerks?—For all the clerks in our office it must be so, because we close accounts at a certain time, settle them up, and then all go away.

22,725. Do the senior clerks now have seven hours?—Yes, every one of them.

22,726. Was any increase made in their salary when the change was made?—Yes; 30*l.*

22,727. That was done last year?—Yes; the senior clerks got 30*l.* each, and 15*l.* was paid to the lower division.

22,728. Of course the lower division are on the scale, and there is a contract between them and the Government; but the Treasury must have agreed to the increase of the senior clerks?—Yes.

22,729. (*Mr. Harvey.*) In answer to Lord Lingen you stated that the proposal had been made, as I understand you, for the Bank of England to take over a certain proportion of your duties?—So I understood—the remittance work.

22,730. What is the remittance work?—That is sent by post to me. Large sums are remitted by cheques and bills which might be sent direct to the bank and placed to the credit of my account.

22,731. You are the holder of those bills technically, and indorse them and hand them over to your banker. Is the business of the Bank of England anything else than simply to collect those bills and credit your account with them?—That is all they have got to do now. I compute the bill and indorse it, and send it to them.

22,732. You are the holder of the bill, and you send it to the bank?—Yes.

22,733. Is there in that any specific duties—is not that the ordinary banker's duty of collecting bills on account of a customer?—I should have thought so.

22,734. Do I understand that you have no moneys in your own hands except a small cash balance that you may have in the till to-night?—Do you mean myself personally, or my clerks?

22,735. Your clerks?—My pay-clerk has 500*l.* rest always.

22,736. Quite so; but all the rest of your money you pay in advance?—I pay in every day at the Bank of England as much as I can.

22,737. (*Mr. Lawson.*) It is available every day for the Government then?—The next day after I receive it.

22,738. (*Mr. Harvey.*) I suppose these bills are what a banker would call put short to your account from day to day?—Yes. The Accountant watches them, to see that when due they are credited.

22,739. That is to say, that the Bank of England has collected those bills according to their maturities?—Yes.

22,740. (*Lord Lingen.*) What would the bank do that they do not do now upon these receipts for the charge that was considered too great?—The bank would have to do this—they would have to make out a list of all the bills they had received that day and send it to the Accountant-General, because he is the man who is the controller of what A. and B. have paid.

22,741. Do not they do that now?—We do that now.

22,742. (*Mr. Harvey.*) Do not the Bank of England return a pass-book every day?—Yes.

22,743. Supposing your collector going to Beckett's at Leeds and getting a bill on Glyn's in favour of Sir Alfred Slade, or in favour of the Receiver-General of Inland Revenue at the Bank of England, for argument's sake, would not the whole of that work pass at once into the hands of the Bank of England with only an additional trouble to the bank staff that they would have to endorse certain bills which they do not have to endorse now?—And that they would have to notify to the accountant, and would have to send a receipt to the collector. You see in the case of every one of these bills we acknowledge it at once to the sender. That is what I think the Bank of England were required to do.

22,744. I am afraid we do not understand each other. I am the collector at Leeds. I have authority from the Accountant-General to remit a certain sum of money. I go into Beckett's and I get bills at seven days on Glyn's. Now, then, I report myself to the Accountant-General as having done that. I send the bills on to the Receiver-General, the Receiver-General endorses them and hands them over to the bank for collection. The bank collects them on maturity and hands the money over to the Accountant-General, just as it does to every other customer?—That is so.

22,745. Now supposing instead of the Receiver-General endorsing those bills, the bills were drawn in favour, say of the Bank of England, if you like—is not the only additional duty that would thus be imposed upon the Bank of England the small one of endorsing the bills?—And of writing to the person who sent them to say that they have received his bills for that amount and to report to the accountant.

22,746. (*Lord Lingen.*) The taxpayer's receipt is given by the revenue officer down at Leeds, is not it?—Yes, by the revenue officer there. I only give the receipt in that case to the collector at Leeds. "We have received your "bill for 954*l.*, which has been placed to your credit"—that is all I give to him.

22,747. What receipt would the Bank of England give except putting this sum down in the daily pass-book?—It would give no other receipt, and then the public would want it. A large number of these remittances are not from officials, but from the public who have an order to pay something on some account—we do not know what it is, but the accountant sees to that.

22,748. (*Mr. Harvey.*) There is nothing surely to prevent the man at Leeds from selling that bill. What does he care about the person on whom it is drawn, except that it is a good name, and that the acceptance will be met. The collector at Leeds, I take it, might sell the bills on the market if the regulations permitted it?—I do not see why he should not. He only wants to know that his remittance has come to hand, and that is all I write to him for.

22,749. Then all that it comes to is this, that suppose these bills were drawn in favour of the Bank of England, instead of being drawn in your favour, the Bank, receiving them everyday from whatever quarter they came, would give the ordinary receipt which would be given when it comes to anybody else. Having given that receipt, the Bank of England proceeds to put the bill away in its boxes until it arrives at maturity, sends it to Glyn's, or any other drawee, gets it accepted, and in due course paid. What I want to ask you is this, whether your duty in the whole of that matter is not one which could be instantaneously discharged by the Bank of England?—I have always thought it could, but, as I tell you, when it was put to them the price they asked for performing this was far more than what it cost us, because one clerk, with the assistance of a boy, does the whole of this duty.

22,750. You have no documentary evidence, I suppose, as to any of the negotiations with the Bank of England?—No; I have not. It did not pass through me. I only know it from rumour.

22,751. (*Mr. Lawson.*) Do I understand that the Treasury assign to you your clerks?—No; the Treasury appoint me and the Board of Inland Revenue assign to me clerks that have been passed by the Civil Service Commissioners.

22,752. Those clerks are assigned to you by the Board and not by the Treasury?—That is so.

22,753. Is the Deputy-Receiver also appointed by the Treasury?—He was, in this case, but it is the first appointment; there never has been one before.

22,754. Has there been any alteration of tenure made since?—No; he remains still.

Sir A. Slade, Bart.

6 Dec. 1888.

22,755. Under the Treasury, to that extent he remains?—I think his appointment as Deputy-Receiver-General comes from the Treasury.

22,756. (*Chairman.*) Your particular office, I believe, would not be affected by amalgamation in any particular way, would it?—If we were amalgamated we should re-receive the customs as well as the excise and stamps. At present I only receive excise, stamps, and taxes. Of course if we were amalgamated we should receive customs also. That would make no difference to us whatever. It would be merely a little increase of work, and that would only mean another clerk or two.

22,757. (*Mr. Lawson.*) I should like to follow that out. What would you take over?—The collector of Customs.

22,758. In London?—In London. That is to say, on my assumption that we take over all collectors. I suppose the present idea of the Board would be to appoint a collector of Inland Revenue to collect the Customs at the Port of London.

22,759. Do you mean the collector who now is in the Long Room?—Yes.

22,760. And that you would have to perform the work as done by him and his clerks?—Yes. I should require one principal upper-division clerk with one accounting officer, and lower-division clerks.

22,761. At the present time he has four principal clerks and twenty-six clerks of the upper division. They are in the Long Room?—He has a great deal to do with what you were speaking of—namely, the Receiver of Customs. The Receiver-General's work is done by him.

22,762. Quite so. I suppose the only part of the work that is done in the Long Room at the Customs by the collector would come to you?—I should think that all the work that could be done by post would come by post, but then there is some that would have to be done on the spot.

22,763. At the present time, besides those I have mentioned, there are sixty-one clerks of the lower division, and eight copyists; in fact, it is a large establishment?—Yes; but I should not be surprised to hear that we could gradually get it done by post or post-office orders.

22,764. Is none of it done in that way?—I do not know.

22,765. (*Chairman.*) You must have at the Inland Revenue, I imagine, some cashier to receive money over the counter, so to speak?—I think it would be necessary to have some local man at the Port of London. You could not receive the whole of the duties at Somerset House. I do not think the trade would stand having to come up to Somerset House every time they wanted to clear a cask of wine out, or to pay on a pound of cigars. There must be some officers at the port.

22,766. Under the present condition of affairs there must be at Somerset House somebody to receive cash payments?—Yes; there is an increase in the necessity of it since they have sent away the collector last year; that has increased the necessity. There is a large number of the public who will come to the Central Office to do everything.

22,767. (*Mr. Lawson.*) Do you think, so far as the Customs are concerned, that one of your clerks could perform the duties of a collector in case of amalgamation?—Yes; I think my upper-division clerks, with an accounting officer alongside of them to be their check, could with any number of lower-division clerks perform the duties of the Long Room.

The witness withdrew.

Adjourned till Tuesday next, at 12 o'clock.

SIXTY-SIXTH DAY.

7, Whitehall Place, Westminster, S.W., Tuesday, December 11th, 1888.

PRESIDENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.	MR. H. W. L. LAWSON, M.P.
LORD BASING.	MR. MACLURE, M.P.
MR. R. W. HANBURY, M.P.	MR. H. WALPOLE, C.B., *Secretary.*

DR. JAMES BELL, F.R.S., called and examined.

Dr. J. Bell, F.R.S.

11 Dec. 1888.

22,768. (*Chairman.*) You are the Principal of the Laboratory of the Inland Revenue?—I am.

22,769. How long has that office existed?—Mr. Phillips was practically the principal of the Laboratory since the year 1841 or 1842, but the Laboratory was not organised as a separate establishment till about the year 1857 or 1858.

22,770. The staff you have is given on page 32 of the Estimates, is it not?—Yes.

22,771. I see you have a deputy, six analysts of the first class, six of the second, and two keepers of chemical and scientific instruments?—Yes; I would point out that I have prepared a fresh paper elucidating my Report, and it will raise all the points in my Report. In this paper there is an argument throughout. If the Commission would allow me to go through these points in this fresh paper I think it will place the subject more intelligibly before the Commission.

22,772. (*Lord Lingen.*) Is the former report that you refer to the one that we have already received with the Inland Revenue Reports?—Yes.

22,773. Is this a new edition of it?—This is practically elucidating that report. I am dealing with the various points that were given in that report. First with regard to the Laboratory officers: these consist of a fixed staff of analysts, and a class of officers called temporary assistants. The higher class chemical work, including the samples on which prosecutions are likely to arise, is performed by the analysts composing the fixed staff, while the routine work, such as the distillation of wines, the determination of original gravities of beers and worts, the obscuration of brandies, rums, &c., is done by the temporary assistants, at an average salary of less than 2*l.* per week. In this way the department is worked with the most rigid regard to economy.

22,774. (*Chairman.*) I do not see where the temporary assistants are provided for in the Estimates.—They are on the outdoor establishment.

22,775. (*Lord Lingen.*) They are persons only passed through your office—they belong to the other services, and you are a sort of Chemical Normal School for them, is not that so?—Quite so.

22,776. They do not appear as your assistants, but as assistants of excise or other officers?—Quite so. In order to keep up the supply of temporary assistants, there are eight young officers selected every year by competition, who receive a systematic training in theoretical and practical chemistry at the Central Laboratory and at the Normal School of Science, South Kensington. They attend there the lectures on theoretical chemistry, and in our Laboratory they receive a training in practical chemistry. At the end of 12 months we draft them into the general work of the Laboratory, and keep them at that for perhaps two or three years; then they go out to the outdoor department to take their place again in the service. All the officers therefore employed in chemical work are trained chemists, both in the Central Laboratory and at the chemical stations at the out-ports. The system of chemically training a certain number of officers every year was inaugurated in 1845, and the service has derived great advantage from the officers so educated. They have to assist in preventing adulteration, and, in fact, they have so many technical duties to perform that it was deemed necessary or desirable for the interests of the Service that the Board should have the men educated chemically and trained in scientific subjects. The work of the Inland Revenue Central Laboratory last year was made up as follows:—For Inland Revenue, 35,300 samples; for Customs, 2,042 samples; for India Office, 936 samples; for Board of Trade, 724 samples; for Admiralty, 127 samples; for Home Office, 41 samples; for Post Office, 4 samples; reference samples under sale of Food and Drugs Acts, 50 samples; making a total number of samples of 39,224.

22,777. Do they always send the samples, or sometimes questions only?—They sometimes ask us questions or apply for explanations as well as send us samples.

22,778. Are those questions which are independent of the samples included in the numbers you have just given?—No. The number of samples analysed last year at the nine out-ports was about 13,000. The number I should point out this year will be considerably increased. I expect that in the Central Laboratory the number will amount to over 45,000, and at the out-ports to perhaps 15,000 or 16,000.

22,779. (*Chairman.*) What is the reason of that increase?—The limitation of the water in the tobacco. A large saving has been effected by undertaking the chemical work for other departments. An immediate saving of at least 1,800*l.* a year resulted from the transfer of the Inspection of the Lime and Lemon Juice for the Board of Trade; and a saving of nearly 2,000*l.* a year was effected for the Indian Government. The samples analysed for other departments amounted to 3,924, which represented 2,406 recorded papers to be reported upon, but as we communicate direct with the heads of the respective departments, the whole of the work is done without entailing any labour whatever, either on the Board or on the Secretary's Department. The same course is followed in the case of the Agricultural Returns, collected for the Board of Trade by the Inland Revenue. The work is controlled by the Chief Inspector and practically the Board are not called upon to perform any work in connection therewith. The Inland Revenue have also undertaken within the last few years to collect Agricultural Produce Returns for the Board of Trade, and the work in this case is practically conducted on the same lines as in the other case—that is without entailing any labour upon the Board. This is the principle, in my opinion, upon which all extraneous work should be conducted, and the old-fashioned system of only communicating through the secretary's office should be abolished. As the result of my experience this system gives great satisfaction to the respective departments. They seem to like to be in touch with those who are immediately responsible for their work, and the system in no way affects the supreme authority of the Board. If this principle of devolution were applied to the extraneous work now performed by the Customs for other departments, it would entail little or no labour upon a Consolidated Revenue Board, or upon its secretary's department. It is probable that after a careful scrutiny this principle of devolution might be usefully applied to a large proportion of routine revenue work.

22,780. (*Lord Lingen.*) That is beyond the confines of chemistry. You are speaking now of general administration.—I am drawing an argument from the mode in which we conduct our work.

22,781. To other departments which are not chemical departments?—Quite so.

22,782. Your inference is that?—Quite so. In my report I did not dwell sufficiently in detail upon the intertwining of the work of the two departments with respect to sampling and protecting the duty on tobacco. These duties, like those in connection with the dovetailing of the warehousing system, serve to show in a marked degree how unsuitable—indeed, I might almost say how unbusinesslike—it is to have two managements and two heads for dealing with the same dutiable commodities. Of the samples analysed by the Inland Revenue last year upwards of 15,000 were drawn by Officers of Customs. These samples consisted of beers for exportation, 12,432; liqueurs for exportation, 130; tobacco and snuff, 2,042; lime and lemon juice, 631; making a total of 15,235. The samples of beer and liqueurs are taken for Inland Revenue purposes, and are necessary for checking the drawback of duty claimed on exportation of the same. The samples of tobacco and snuff serve for two objects: 1st, for the purpose of determining the amount of normal tobacco present in the tobacco or snuff presented for drawback, and thereby to enable the Customs to calculate the amount of duty to be repaid the manufacturer. 2nd, for a careful scrutiny and examination to see that the article consists of tobacco only, and that no foreign ingredient has been added to, or mixed with, the tobacco. The samples of lime and lemon juice are taken and forwarded under regulations laid down by the Board of Trade. I specially referred in my report to the inspection of lime and lemon juice, and to the fact of my being authorised to visit the bonded warehouses, and practically to exercise a supervision over the sampling and fortifying of the juice. These regulations work admirably, and are in striking contrast to those in existence in regard to the sampling of tobacco and snuff for drawback. In the latter case we have no authority to interfere or advise in any way, although we frequently feel that we could do so with advantage to the Revenue.

22,783. Why are not the young excisemen that have passed through the training of your office competent, being employed, we will say, in the tobacco and snuff manufactories, to exercise immediately and directly the supervision of which you are speaking? They would do in the tobacco manufactory what you would do with the lime juice in a warehouse, would not they?—These samples that I refer to now are drawn from tobacco or snuff deposited in Customs bonded warehouses, and the samples can only be taken by the Customs.

22,784. I understood you were saying that it was a great pity to have two departments to do these things, and if you had your own way you could do on the original articles what you now have to do by samples, and save the sampling process; was that not what you meant?—No; what I am pointing out is that in the taking of the samples of tobacco and snuff, which are deposited either for exportation or deposited in the bonded warehouses and abandoned, the Customs Officers draw those samples and forward them to us for analysis in pursuance of a Treasury Order, and we have no control over the sampling of the tobacco and snuff, and we have no power to give advice or to interfere in any way.

22,785. What is the exact difference between that and what you do with the lemon juice?—The exact difference is this, that if I find anything wrong with a sample of juice I can go direct to the bonded warehouse and have another sample drawn in my presence, or if I have any suspicion that the juice is not properly mixed, I can go to the bonded warehouse and I can have a sample drawn of it, and bring it away with me for analysis, to see that the Customs Officers have done their duty properly.

22,786. Have you represented to your own Board, and through them to the Board of Customs, that it would be better to let you into the Customs bonded warehouses to do what you do with the lemon juice? Have you ever urged that upon your Board?—I have always considered that it would be an undue interference on my part to do so, and I am afraid the Board of Customs would not listen to our interference.

22,787. I mean that you bring this before us for the first time, and that there has been no refusal to adopt your proposals, from the very fact that you have never made them to the people who could carry them out?—They have never consulted me.

Dr. J. Bell, F.R.S.

11 Dec. 1888.

22,788. No; but then they might say that you have never informed them, might not they?—I do not know that. As I have already said in regard to the sampling of tobacco and snuff for drawback, we have no authority to interfere or advise in any way, although we frequently feel that we could do so with advantage to the Revenue; and if the two departments were placed under one management, there can be no doubt that improved arrangements in this respect would soon be made. With regard to the part which the Inland Officers take in protecting the tobacco revenue, it is no exaggeration to say that their services in this respect represent fully five-sixths of the entire labour involved in charging and securing the tobacco duty. The work of the Customs with respect to tobacco is practically limited to taking charge of the different packages, weighing them, and calculating and receiving the duty payable thereon; whereas the Inland Revenue practically take charge of the tobacco immediately after the duty has been paid, control it during the process of manufacture, and exercise a check over the manufactured article till it reaches the consumer. There are 564 tobacco manufacturers scattered all over the kingdom and the factories of these are visited daily by the Inland Revenue Officers, who rigidly guard the tobacco against adulteration, and in order to restrain the moisture within the limit of 35 per cent., as fixed by law, procure samples of the manufactured tobacco weekly and forward them for analysis. In addition to these 564 daily visits by the officers, the Supervisors make occasional check visits, and once, at least, every year the Analysts at Somerset House visit the whole of the manufactories throughout the United Kingdom. It should be borne in mind that the cost of performing the whole of this work, together with the expense of the analyses of upwards of eighteen thousand samples a year is thrown upon the Inland Revenue Vote. The importance of the services rendered by the Inland Revenue in this connection may be gathered from the fact that one per cent. of adulteration would represent a loss of about 80,000*l.* a year to the Revenue. In my Report I referred to the fact that the Customs undertake the control of the manufactured tobacco imported, amounting to about 300,000lbs. a year, but that, although this quantity is small, it is sufficient to occasionally produce unpleasant collisions between the officers of the two Departments, and sometimes to cause serious hardship and irritation to the trade. I cited three recent cases of this kind, one of which consisted in the seizure of coca-tobacco and coca-cigarettes.

22,789. That is a new sort of tobacco is not it?—The coca is a plant from which the alkaloid cocaine is obtained. I should like to add that in this case the seizure was made about the middle of September last, but the trader had been selling the articles for about four months, and finding a demand for them, he had taken a lease of new and expensive premises in anticipation of a large trade, when he was suddenly stopped. But this was not all, for in consequence of the existence of two Revenue Boards it took nearly two months before an arrangement was come to for the return of the seized goods to the Queen's warehouse with a view to the repayment of the duty and their reshipment to Germany. Now, in the first place, if there had been only one Revenue Board, this business about the return of the tobacco could have been settled in twenty-four hours; and, in the second place, I feel confident that, if we had one Revenue Board and the usual opportunities of advising and consulting with the officers at the ports, such mistakes would rarely, if ever, occur.

22,790. (*Mr Hanbury.*) Do you maintain that if there had been only one Board you would have stopped the sale of these cigarettes four months earlier?—No; I maintain that the chances are that they would not have come in. They would not have been allowed to come in. If there were one Board and we had the power and the position to advise the officers under the whole of the Board, we would take such steps as to train the officers at the ports and advise them as to the best way of dealing with manufactured tobacco as it came in, and so prevent such occurrences.

22,791. (*Chairman.*) Does the present state of affairs under which what you say now is possible, imply incapacity to examine properly the tobacco on landing on the part of the Customs?—The Customs officers have not the same experience that our officers have. Our officers, as I have pointed out, visit the tobacco manufactories, and they are in the habit of examining the tobacco to detect adulteration. All the Examiners before they go to districts pass through the Laboratory, and we teach them the best modes of detecting adulteration in tobacco and other things, so that they are trained how to deal with suspected articles.

22,792. To pursue that point—if this particular tobacco, when it first came in, had gone to an Inland Revenue bonded warehouse for examination—having been sent in gross to an Inland Revenue bonded warehouse—would your officers have taken it?—I have no doubt it would have been stopped.

22,793. But in this particular instance it happened to go to a Customs bonded warehouse?—Quite so.

22,794. Where it was dealt with by the Customs instead of by the Inland Revenue?—Quite so.

22,795. And your point now is that, seeing that the Inland Revenue officers have more experience in dealing with tobacco than the Customs officers, they would have been able to detect it, whereas, as the Customs officers deal with the import of tobacco only, they failed to detect that which would have been detected by more experienced men?—Yes. Moreover they would have known that our laws prohibited the admixture of any foreign vegetable leaf whatever with tobacco, and seeing that it was called coca-tobacco and coca-cigarettes, they would have immediately come to the conclusion that those articles could not be admitted as they contained an admixture of foreign leaves.

22,796. Do you mean to say that there was ignorance on the part of the Customs officers as to the law of the country in reference to the admixture of tobacco with coca?—It may be that the officers of the Customs who admitted this tobacco and cigarettes were not thoroughly conversant with the Excise law.

22,797. I understand the main gist of your argument with reference to this is that the whole of the imported tobacco might be advantageously dealt with by the same class of men—whether under the one Board or not is another question. You say under one Board, but one set of officers, at all events, could deal with it advantageously?—If we had one Board we would have the opportunity, or we would take the opportunity, of making the officers at the ports acquainted with the various forms of adulteration, and explain to them the best way of examining tobacco so as to ascertain whether it was adulterated or not. That is the point of my argument. The Inland Revenue is so concerned in protecting and securing the duty on tobacco that in all cases of legislation affecting that article the Inland Revenue Board necessarily take an important part, and the results of the discussions between the two Boards on such occasions are sometimes embarrassing and unsatisfactory. Two notable instances of this kind may be mentioned. In the year 1863, when Mr. Gladstone wished to benefit the consumers of tobacco in this country and to reduce the import duties on manufactured tobacco, cigars, and snuff, there was great difficulty in getting the two Boards to agree upon a common basis for giving effect to the object in view. In the case of one proposal for repaying the duty upon refuse tobacco, the Customs maintained that it was impossible for them to undertake the destruction of such offal material of the manufactories, as desired by the Inland Revenue Board, and insisted on the manufacturer going to the expense and trouble of shipping it abroad, and yet in 1878 they realised the danger of enforcing its exportation and obtained powers to carry out the original proposal. I should point out to the Commission that on every occasion, from the time of the passing of the Act until 1878, we took every opportunity of pointing out the danger that the Revenue was exposed to by exporting this offal material.

22,798. (*Lord Lingen.*) Did you point that out to the Chancellor of the Exchequer or to your own Board?—It was pointed out to Mr. Gladstone at the time.

22,799. By the Inland Revenue Board.—Quite so.

22,800. Was that remonstrance repeated by the Board to successive Chancellors of the Exchequer?—I do not know. I am not aware whether it was repeated to successive Chancellors of the Exchequer, but at all events it was brought frequently under the notice of the Board of Customs.

22,801. During those fifteen years from 1863 to 1878?—Yes. Again, when the late Lord Iddesleigh was Chancellor of the Exchequer, and proposed in 1878 to increase the duty on tobacco by 4*d.* per lb., the Customs advised that the duty on cigars should be 5*s.* 4*d.* The Inland Revenue Board demonstrated that the rate should be 5*s.* 6*d.* in accordance with the basis laid down and agreed to in 1863. The Chancellor, however, adopted the advice of the Customs but the pressure of the trade to obtain their rights was so great that he was obliged to increase the duty to 5*s.* 6*d.* in his next Budget. Instances of this kind serve to show the serious disadvantage of having two Revenue Boards dealing with the same article, and

also the injury that may be inflicted upon the trade from the want of a proper appreciation of important questions affecting the home manufacturers. In my opinion the two Departments have now become so dovetailed into each other that the difficulties of working them side by side are increasing every year. The duties under the two Boards have become so comparatively restricted and assimilated that all practical difficulties in the way of their union have ceased to exist. It is not in the nature of things, even with one code for the two Departments, to secure uniformity of practice and equality of administration otherwise than by a union of the two Boards. A consolidated Revenue Board would, in my opinion, lead to an effective and satisfactory administration, and large economies would follow in course of time in various directions.

22,802. (*Mr. Hanbury.*) Can you specify those directions within your own Department?—I believe economies would be affected by the union of the two Boards through the union of the Laboratories afterwards, but of course that would be a matter of gradual process.

22,803. Are you able to point out any economies at the present moment? You give us a general opinion that these economies would be effected, but are you able to point to any detail?—I do not know what system is followed there now, but about twelve months ago there were thirty examining officers of Customs employed in laboratory work and four outdoor officers. The salaries of the thirty examining officers varied from 110*l.* to 300*l.* a year. The salaries of the four outdoor officers ranged from 55*l.* to 100*l.* Now, assuming that the salaries of these thirty examining officers amounted on an average to 150*l.* a year, we could replace them by temporary assistants at a salary of less than 2*l.* a week, or about 100*l.* a year. On that basis there would be a saving of about 1,500*l.* a year.

22,804. Is it your contention then that the Customs pay their men too highly?—We do that class of work with men who are paid lower salaries.

22,805. Either the Customs must pay too high or you must pay too low if you pay different rates for the same class of work.—I have pointed out that we do that class of work in the Laboratory at Somerset House with men at a pay of less than 2*l.* a week on an average. My last point is that I find that since the amalgamation of the Boards of Stamps and Taxes and Excise in 1848 the Board of Inland Revenue have been relieved of five growing duties—and troublesome duties they were—namely, the duties on soap, post horses, hops, paper and stage carriages, and I further find that the number of districts and stations is 852 less than in 1848. I also find that the total number of charging officers of Customs, who are, I believe, the surveyors and examining officers, amounts to 1,471, so that if we take 852 from the total number of districts and stations there would be a difference only of 600 represented as stations over what the Board of Inland Revenue had in 1848.

22,806. (*Chairman*). With reference to work that is done by the Customs, which is of the same nature as that which you do, do I understand you that all the really chemical examination of samples and articles of all sorts is done by you now?—Yes, but such samples are practically limited to tobacco and snuff for exportation.

22,807. Then the Laboratory, so-called, of the Customs in London is not really a Laboratory in your sense of the word, is it?—It is not. The Treasury refused to have two chemical establishments.

22,808. Therefore there is only one Laboratory now, is there? Practically, the only Government Laboratory which exists is your Laboratory, is it not?—Yes, that is so.

22,809. And all the real work which requires the examination of a trained analyst is done under your responsibility now?—Yes, for various Government Departments.

22,810. For all the various Government Departments, including the Customs?—I do not know that. The Customs, I think, examine a large number of samples themselves of tobacco and other articles.

22,811. Do you know whether the Customs have any trained analysts?—I think they have one or two who have had some training.

22,812. Are not all those men who are employed in the out-ports and in London in the Customs so-called Laboratories merely examining and outdoor officers who have got a little readiness for testing samples of wine and so forth by the ordinary simple process of distillation?—All those employed in the distillation of wines, the determination of the obscuration of brandies, rums, &c., are ordinary Customs officers, and not, as you remark, trained chemists.

22,813. Then, as far as the bringing together all the work of this character under one head is concerned, I do not quite see (just confining ourselves to that point) where the advantage would be—and in fact even where the change would be, as regards your own particular Department—because this work could be more conveniently done, could it not, immediately at the port, wherever it may be?—Yes, but we have got nine laboratories at out-ports; and at each of those out-ports there is a Customs Laboratory, and no doubt eventually, by having the work done in one Laboratory there would be a certain amount of economy effected.

22,814. (*Lord Lingen.*) Is it correct that at Liverpool, for instance, there is an Inland Revenue Laboratory and a Customs Laboratory?—Quite so. There are nine places where that is the case. They are London, Bristol, Liverpool, Glasgow, Leith, Belfast, Cork, Dublin, and Southampton and Newhaven.

22,815. Is the separation at those places between the two chemical departments greater or less than it is in London?—It is about the same. I am not aware that there is any greater connection.

22,816. Supposing a Customs Laboratory officer at Liverpool has got a sample that he wants further advice upon, would he send that to the Liverpool Chemical Laboratory under the Inland Revenue, or would he send it direct up to his own Board in London?—He would send it direct to his own Board in London.

22,817. And they would pass it on probably to you?—They might probably do so, but not direct.

22,818. But he would not make on the spot, at Liverpool, any use of the Inland Revenue Laboratory, would he?—He would not.

22,819. Would the skill of the Inland Revenue Laboratory at Liverpool be to the skill of the Customs Laboratory at Liverpool about what your departmental skill is to the Customs departmental skill in London? Would the one be as superior to the other, and as much more advanced than the other, in Liverpool as it is in London?—Yes; the Inland Revenue chemical officer in Liverpool would be a trained chemist who had been several years in the Central Laboratory before he went to Liverpool.

22,820. The person at the head of that Laboratory would in all probability then be one who had passed through your own hands?—Yes.

22,821. In case of difficulty would he write direct up to you for instructions?—Yes.

22,822. Without all this circulation through the Boards?—Yes; if he wanted any advice, or my opinion upon anything, he would write direct to me.

22,823. To your office?—Yes, quite so.

22,824. (*Mr. Hanbury.*) How far are these local Inland Revenue Laboratories subordinated to the head office in London?—Whenever they find any difference between their results and the statements of the traders as to the original gravity, say of beers, and so on; they must then send the duplicate sample up to London.

22,825. Then, with regard to the local Laboratories of the Customs, whom are they subordinated to, in the same way that the Inland Revenue Laboratories are subordinated to you?—I do not know, unless to their Central Laboratory at Thames Street.

22,826. You do not know who is their immediate chief?—I do not know.

22,827. You do not look upon yourself as the person to whom they would send their reports?—No, they would not send them to me.

22,828. (*Chairman.*) I observe you state in your report that 'with one executive Board, the convenience of the public would be increased by the avoidance of the annoyance and loss of time which now occur when a question is at issue which concerns the two Departments, by the adoption of uniform methods of analysis, and of the same standard instruments.' As regards standard instruments, that difficulty has been got over, has it not?—Yes, we keep a standard, and the Customs bring their standard every year to compare with ours.

22,829. Then there is no further advantage to be got in that direction now, as far as the standard is concerned? The standard is uniform, is it not?—Yes, but there would be an economy in the union of the two eventually. That

Dr. J. Bell, F.R.S.

11 Dec. 1888.

is to say, the instruments are issued from Somerset House to the Inland Revenue Department, and the instruments for use in the Customs are issued from Thames Street to the Customs officers. If there were a union of the Boards, the instruments would be issued under the superintendence of one officer.

22,830. I think, with reference to the other point, that of analysis, you have already told us something (and you have said all that you would like to say in your report which you have sent to us) of the inconvenience which arises from the different methods of analysis, whether of tobacco or any other things, as pursued by the two Departments?—We do not know what methods of analysis they employ in Thames-street, and they do not know what methods of analysis we employ. We have had some collisions where an appeal was made to us.

22,831. You have had the question of cigarettes containing sugar, have you not, or said to contain sugar?—That is some years ago, but it was saccharine natural to the tobacco. As I have already pointed out, the Customs have not the same opportunity of studying the subject of tobacco as we have. It has been a special subject with us for years, and of course we are thoroughly acquainted with the chemistry of tobacco. The Customs have not the opportunity of becoming thoroughly acquainted with the chemistry of tobacco. If, in the case you refer to, they had been thoroughly conversant with the chemistry of tobacco they would not have made the mistake.

22,832. (*Mr. Hanbury.*) Are there any other articles with which you think they might be chargeable with some amount of ignorance, besides tobacco?—I do not know what articles they examine besides that.

22,833. (*Lord Lingen.*) Do they not examine tea, for instance?—Yes, but I am not aware of any difference occurring in the case of tea.

22,834. (*Mr. Hanbury.*) In fact, you make no complaints except in the case of tobacco?—That is so. We have had more difficulties in the case of tobacco than anything else because it is a big thing. The duty upon that represents nearly half the Customs Revenue; it is a very important subject.

22,835. (*Lord Lingen.*) The tea samples come to you and in considerable numbers, do they not?—No, they do not.

22,836. They do not?—No; we would only get tea samples in the case of a reference under the Sale of Food and Drugs Act.

22,837. (*Mr. Hanbury.*) On the subject of tobacco, have you many difficulties? There are the three or four cases you mention in your first report—do they exhaust the list of complaints?—These cases occur from time to time. I gave some of the recent cases.

22,838. You gave one in September, I think, of this year?—Yes.

22,839. Are they of very frequent occurrence?—Not of very frequent occurrence, but they occur in sufficient numbers to create some unpleasantness with the trade.

22,840. (*Lord Basing.*) I suppose the Board of Customs might adopt your plan of engaging skilful young men who are trained at South Kensington under a skilled chemist to advise them in these matters?—Yes, but I am afraid that would not be an economical method of arriving at the desired result.

22,841. You said a good deal at the beginning of your evidence about the satisfactory results which have been achieved by the initiation of young men through the agency of South Kensington and through your own laboratory, who thus become skilful chemists. May I ask who appoints those young men and selects them for this great advantage?—They enter by competition. They make application to the Board to be allowed to compete.

22,842. And then, once in, they have this advantage of being educated at the public expense. Is that what it is?—Yes, quite so, but they more than recoup the revenue by their services afterwards.

22,843. (*Mr. Hanbury.*) You say they ask the Board to be allowed to compete; is it competition after nomination then?—Yes, they are officers already in the service; they must be at least six months in the service before the application could be entertained.

22,844. (*Mr. Maclure.*) As I understand, these young men have had no chemical training before, but when they have been in the service six months, you allow a certain number to be nominated, and they compete, and are sent to South Kensington, where their chemical education is paid for.—Yes, quite so.

22,845. Why could not they work in your Laboratory as well as at South Kensington?—They are trained in our Laboratory in practical chemistry.

22,846. And in theoretical chemistry at South Kensington?—Yes, because we have no lectures, and they attend the lectures on chemistry at South Kensington.

22,847. How many assistants have you?—We have twenty-five.

22,848. Have those twenty-five assistants all passed a certain standard in your Laboratory or at South Kensington?—All have passed through a preliminary chemical training.

22,849. All who take the samples?—Yes.

22,850. In the Customs are the assistants of equal calibre? Have they passed at South Kensington?—They have not. The ordinary work at the Customs is not so difficult as the work that we have at Somerset House; that is in connection with the Excise samples. For instance, they have only the distillation of wines and the determination of the obscuration of brandies (which is a distillation also) and rums. Our assistants have to determine the original gravities of beers and worts—that is a weighing process and requires careful manipulation. In the other case they simply distil the wines, &c., and ascertain the strength by the hydrometer.

22,851. In tobacco do you do nothing more than just examine it, or do you analyse it to see whether it is adulterated?—We have to tear it all to pieces to see that there is nothing there but tobacco, and to use the microscope very largely for vegetable adulterations.

22,852. (*Chairman.*) Is it a fair question to ask you, as you have been asked these questions with reference to the appointment of these young chemists who do your work, whether, supposing you had to start this laboratory in an ordinary way attached to a commercial firm, you think your establishment is more or less economical than such an establishment would be? Are you now manned with the kind of men you would get if you were to go into the open market?—With superior men, because they are specially trained to our work. If we took in a man from the outside, we would have to specially train him before he would be of any use whatever.

22,853. Take the case of a man whom I daresay you know, Dr. Voelcker, who is the chemist at the Royal Agricultural Society. I assume that he finds his assistants for analysing work, which is probably just as difficult as that which you have to do. He goes into the chemical world, and gets young men coming on, and trained up. Do you think that system would be less good for you than that which now obtains?—I think we are served better now, because we have men that have future prospects in the service, and therefore who devote their attention to our work much more closely and diligently than if we brought in young men from the outside.

22,854. I am not making any suggestion to you, please understand. I am asking you, practically, whether the present system of manning your Laboratory is satisfactory, and I understand you to say that you think it is?—Quite so.

22,855. And that you get a good class of man, who remains with you?—I might give you an illustration, to show you the advantage of having men trained to our work. Many years ago the staff then did not occupy the same position in the scientific world that they now do, and had not the same weight in Courts, and we were obliged to employ professors. We used to employ Professors and others, but we had always to send an assistant to make the analysis for them—even with men in that position.

22,856. I do not wish you to give an opinion upon professors, but upon the condition of your own Department—which I understand you to say is very satisfactory—from the point of view of the young men that you get?—Yes, quite satisfactory.

22,857. You say the work, in your opinion, is well done, and you are satisfied with the class of men you get?—Yes, I am.

22,858. (*Mr. Lawson.*) In case of amalgamation, supposing that the work now done at the Customs were taken over into your Laboratory, do you consider any increase of staff, and consequent increase of cost, would be necessitated?—I think I have already said that there would eventually be an economy if the same class of men that we employ in doing the lower work were employed for similar Customs work.

22,859. I am speaking with reference to your head office. I believe the Customs is without any actual Department called a Laboratory, is it not?—Yes.

22,860. If to-morrow the Treasury decided on amalgamating the two Departments, and the work now done at the Customs were transferred to you, could you do it with your present staff?—No.

22,861. You could not?—No; we would have to replace the men in the Customs.

22,862. Do you contemplate any large addition to your staff for that purpose?—Not at Somerset House.

22,863. That is what I want to understand.—The work would be done down at Tower Hill.

22,864. Do you contemplate keeping the same staff that they have there and merely transferring them to your office, putting them under you?—No, there would be a controlling power exercised from the Central Laboratory.

22,865. That is not quite my question. Do you contemplate the same number being retained in the Custom House as there are now for the performance of these duties, whether the Customs were amalgamated with the Inland Revenue or whether its chemical department were joined to yours. As I understand, you do not think that you could spare any of your men, or that any sensible reduction could be made for the performance of the same duties?—It would not lead to any reduction at Somerset House, to begin with, and, in the second place, all the men that are employed in the distillation of wines and the determination of the obscuration of brandies and so on would have to be replaced by men at lower salaries. That is the only saving that eventually would be effected.

22,866. (*Mr. Hanbury.*) Why should not the Customs reduce the salaries just as much as if the Inland Revenue were over these men?—Perhaps they may be doing that.

22,867. You do not require amalgamation to reduce these salaries.—I do not advocate amalgamation on the ground of economy. I advocate the union of the Boards for the advantage of the service generally and for harmonious working throughout, apart altogether from the question of economy. It is my opinion that great advantages would result from the existence of one Board for the management of the whole thing. I may point out to the Commission that I have been of that opinion for many years. So far back as 1874 I wrote a very strong letter to the then Secretary of the Treasury, Mr. W. H. Smith, on the subject, pointing out the advantages that would result from a union of the two Boards.

22,868. (*Chairman.*) Ever since then has there been, within your knowledge, a gradual fusion of duties?—Yes.

22,869. Various steps have been taken from time to time, have they not, to get Customs men to do Revenue work, and Revenue men to do Customs work?—Yes, and that has created a greater necessity for the union of the two Boards.

22,870. (*Lord Lingen.*) Your official staff proper is yourself, the Principal, your Deputy and twelve analysts, divided into two classes—that is the nucleus of your establishment is it not?—Quite so.

22,871. I want to get this very clearly on to the notes, because I do not think at present it has been quite made out to the Commission. All through, when your assistants are talked of, they are not assistants in any other sense than they are assistants of Excise, who, during a certain part, the early part of their career, are passed through your office?—Quite so.

22,872. It is not a question then at all of going into the market, and getting better or worse people than these, but, with reference to their duties afterwards, they are passed through your office to learn chemistry. While they are there they do a certain portion of your work, and make up an establishment for you, but they are an essentially transitory body whom you are continually pouring into your service, and making it more economical than it otherwise would be?—Certainly.

22,873. That is the description really of the normal part of your establishment, and of those persons who are called assistants, not being your assistants, but assistants of Excise, according to their rating, and appearing nowhere else in the estimates except as assistants of Excise. That is it, is it not?—That is so.

22,874. The analyst is a person told off to your establishment who will remain there throughout his Civil Service?—Yes, quite so.

22,875. He does not belong either to the indoor or the outdoor establishment of the Inland Revenue, but to your Laboratory Office?—Yes. It is an Inland Revenue Laboratory, of course.

22,876. It is an Inland Revenue Laboratory, but still that is his regiment, as you may say?—Quite so. Perhaps it would be desirable that I should point out to the Commission that it is more economical to have these gentlemen on the staff than if we had to go outside to employ men, because they have to attend hearings in Court and so on.

22,877. I understand that in your Department you have adopted the practice of direct communication between your branch, and, for instance, between you and the Home Office, and between you and the Board of Trade—that a reference would be made direct from those Departments to you, and your answer would go direct to those Departments without your Board or the Secretariat being cognisant of either of those processes?—That is so.

22,878. Do you keep a registry of the letters that you receive and despatch from your Department?—Yes.

22,879. Supposing that you received a very sudden accession of work from those two Departments together—we will say from the Home Office and from the Board of Trade—so much so that you were rather under pressure, and at the same time that you received references from your own Inland Revenue Board, should you give any precedence to the Inland Revenue Board, or would they have any official means of knowing that you were occupied by two other Departments?—We generally arrange to cope with the work so as to keep it all under. If anything very unusual occurred, I could easily get the Board to recall a man for a few days.

22,880. This direct correspondence of yours has been organised with the direct cognizance and approval of the Board, has it not?—Quite so. The same thing exists in the case of the reference samples under the "Sale of Food and Drugs Act." We communicate direct with the Magistrates' Clerks and the Magistrates and send our certificates. It would be a mere matter of form to send our communications through the Board.

22,881. The Inland Revenue work is essentially more technical and chemical from the fact that it deals with manufacture, than the Customs work, which merely deals with imported goods and not with manufacture?—Yes, that is so.

22,882. So that, assuming for a moment that one chemical department was constituted, the work that has to be adopted is much simpler, much less in quantity than that with which you are already dealing?—There is a considerable quantity of the less difficult kind of work in the Laboratories at the Customs.

22,883. Now, take the instances of tobacco. Would as many questions arise on imported tobacco at the Customs as arise in the manufacture of tobacco by the Inland Revenue?—Certainly not.

22,884. So that it is less not only in the difficulty of the questions that present themselves, but less in quantity, is not it?—Yes, in that sense.

22,885. Even without the amalgamation of the two Boards, supposing what is called the Laboratory at the Customs was a distinct branch of your own office, like your Laboratory at Liverpool, it would be to a certain extent a gain, would not it?—Yes, they would have the advantage of being controlled by superior skill.

22,886. If they had any question to refer it would come much more directly to you, would it not?—It would, undoubtedly.

22,887. A man could walk across the street, could go into the tobacco bonded warehouse where they wanted to re-export, make an authoritative report offhand, and the drawback could be allowed much more rapidly than it is now, supposing the tobacco raised any question?—Yes, it might be more expeditious, but I should point out that in the case of the samples we obtain in relation to the tobacco and snuff deposited on drawback, our communications with the Customs are in that case direct by special authority of the Treasury. It was pointed out to begin with, that is in 1863, that the communication between the two Departments in relation to those samples must be direct in order to facilitate trade.

22,888. What would "direct" mean. Would the examining officer of the Customs be a sort of expert in tobacco? If there was anything that puzzled him, would he, without going to any superior authority, send the samples to you?—No, if anything of that kind occurred he would send the samples to the Board of Customs, and if they decided to send the samples to us, they would communicate through their Secretary's Department to our Board. The samples

Dr. J. Bell, F.R.S.

11 Dec. 1888.

would come to us from our Secretary's Department, and then we would have to communicate our report again through the Secretary's Department to the Board of Customs.

22,889. Is that what is called direct communication?—No.

22,890. Then what was the direct communication that was established?—It was necessary that we should have the examination of the samples of snuff and tobacco deposited for drawback because of the use made of the offal material which is the refuse of the manufactories. The examination of those samples has frequently assisted us in detecting adulteration. The whole question was laid before the Treasury, and they decided that it was necessary for our purpose in protecting the tobacco revenue that those samples should be sent to Somerset House and analysed there without being passed through the two Boards.

22,891. Then the word "direct" means this—that you should do the work. Is that the interpretation of it?—No. In order to expedite the work between the two Departments, so far as these samples are concerned, it was arranged that our communications should be direct. For instance, any samples of tobacco or snuff which are sent from Liverpool for analysis—that is to determine the amount of normal tobacco in them—are sent direct to the principal of the Laboratory at Somerset House, and we send our certificate back to the Collector of Customs in Liverpool direct. That is under Treasury authority. But in the case you put to me, that is if an examining officer had some suspicion that a sample of manufactured tobacco coming in, or a sample of unmanufactured tobacco coming in, had something added to it, he would not send that sample up direct to me, but he would communicate with his Board, and send the sample up to his Board, and the Board of Customs then would send that sample on with a letter addressed to the Secretary of the Inland Revenue and pass it through our Board, and it would come to us from the Secretary's office. We should examine it and report upon it, and send the paper back to the Secretary's Department.

22,892. That would be the same whether the case arises in the Port of London or the Port of Liverpool?—Yes, quite so. Outside the samples relating to the exportation of tobacco and snuff on drawback.

22,893. What is the direct communication between the two Departments which the Treasury insisted upon in the case of tobacco and snuff?—In the case of tobacco and snuff deposited for exportation or deposited in a bonded warehouse and abandoned, in 1863, when Mr. Gladstone wanted to reduce the duty upon the foreign manufactured tobacco and cigars, it was necessary to make some provision for granting a drawback to the manufacturers in this country upon the refuse material, because in foreign countries the manufacturers had no duty to pay upon the tobacco. Consequently, in order to place the home manufacturer on a footing so as to enable Mr. Gladstone to reduce the duty upon manufactured tobacco down to nearly the cost of the home manufactured article, it was necessary, as I say, to make provision for granting the drawback upon the refuse material. The direct communication between the two Departments has reference entirely to the tobacco deposited in Customs warehouses for exportation, or offal snuff deposited in the Customs bond and abandoned.

22,894. Who, in the Customs, makes the direct communication—the examining officer?—I expect so, in conjunction with the Surveyor.

22,895. I still have not got at the directness. Must he report to his own Board, and a formal letter go from his Board to you? Is that the process?—Not in the case of these samples.

22,896. What does he do instead?—The samples are sent addressed to the principal of the Laboratory at Somerset House.

22,897. Who sends them—the examining officer?—I expect it is.

22,898. In the case of the drawback, then, the examining officer does undertake this direct communication, and he does not pursue this somewhat roundabout routine that he does in the other case.—Quite so.

22,899. But that is confined to the drawback part of the work.—It is. And then I send the certificates back, if it were at Liverpool, addressed to the Collector of Customs.

22,900. Do you have to answer questions respecting samples of wine and spirit other than as to alcoholic strength?—Not unless they were referred to us under the "Sale of Food and Drugs Act"

22,901. Under the Adulteration Act?—Yes.

22,902. Do you get cases of that sort?—We get cases of spirits, but we have not had any cases of wine.

22,903. (*Mr Hanbury.*) With regard to one case which you have mentioned—that is coca-cigarettes—I want rather to follow that out in detail. In the first place, your evidence goes to show that there was some ignorance on the part of the Customs officers in letting those coca-cigarettes in?—It was their duty not to let them in, of course.

22,904. But they did let them in. It will be quite possible to have Customs officers who could deal properly with tobacco, whether the Customs and Inland Revenue were amalgamated, or whether they were not.—If we had one Board there would be a greater amount of intercourse between the officers of the different Departments, and that would tend very much to obviate these things.

22,905. Is there any reason why, without an amalgamated Board, these Customs officers should not have sufficient knowledge to deal with tobacco?—Not if they were trained to it.

22,906. Tell me exactly what did happen with regard to these cigarettes. Did they go into a warehouse?—I do not know what took place at the port of entry. I only know the fact that they had been delivered and that they were being sold in Conduit Street, Regent Street.

22,907. Who called the attention of the authorities to these coca-cigarettes?—I received information on the subject.

22,908. Who from?—From the trade.

22,909. You did not get the information through your own officers?—No, I did not.

22,910. Supposing your own Inland Revenue officers had suspected these cigarettes, would it have been their duty to at once communicate with the Customs officers?—It would have been their duty to seize them.

22,911. To seize them after they had passed the Customs officers. But would it not have been their duty to have also gone to the Customs officers and warned them against them?—No. It would be their duty to report the case to our Board.

22,912. But, as a matter of fact, your officers outside did not know what was going on at all?—No. It was upon information I received that action was taken.

22,913. I ask you this because in your report you say this: "Questions unsolved in one Laboratory may have been cleared up years before in the other." I want to know what communication there is between the two Laboratories, so that they could work together for the common benefit of the country?—There is no communication.

22,914. Do not you think it would be a great advantage to the country if there were?—I think there would be a very great advantage if the whole of the chemical work of all kinds were controlled by one head.

22,915. Do not you think even under the present system it would be a great advantage to have the two Laboratories working together, and is there anything to prevent it?—With two separate Departments under two Boards you cannot get rid of rivalries and jealousies.

22,916. As I understand, you are the supreme authority for laboratory work with regard to a great many other Government Departments, are not you?—Yes.

22,917. Will you mention for what Departments you act?—The Board of Trade, the Home Office, the Admiralty, the India Office, the Post Office, and nearly all the public offices.

22,918. As you act as the head authority for them, why should not you also act as the head authority for the Customs?—I should have much pleasure in doing so.

22,919. But there is no amalgamation between the Board of the Inland Revenue and the Home Office, so why should you not act for the Customs just as you act for the Home Office without any amalgamation?—We did some years ago.

22,920. Why should not you do it now?—The Customs would prefer to have a place of their own.

22,921. Then the objection comes from the Customs, does it?—We never refuse to do any work for them or to assist them in any way.

22,922. I do not quite understand why you cannot work as well with the Customs as you can with the other Departments of the public service?—I have no objection. The fault is not due to me.

22,923. Where is the fault, because I do not quite understand why these two Laboratories should not work well together?—The Customs have had a desire to have a Laboratory for many years, and the question has been fought very hard at the Treasury.

22,924. As I understand, they have not been allowed to have one?—They have not been allowed to have a recognized chemical staff.

22,925. And there is—in name, at any rate—only one Laboratory?—Yes.

22,926. And I assume it was the idea at the Treasury that that would be the head Laboratory for the Customs as well as for the other departments of the public service?—Yes, the intention of the Treasury was that all samples of any difficulty should be sent to us.

22,927. And, as a matter of fact, that has not been done?—I do not know. I am not in a position to say. The Customs do still send us occasionally a sample for analysis, but it is sent us, as I say, through the Secretary's Department. The samples are not sent directly by the officers.

22,928. Going back to this question of tobacco, is there any reason whatever why the Customs, in the case of their having any doubt on the subject, should not send samples of that up to you, just as they would send samples, we will say, of wine or anything else?—There is no reason why.

Dr. J. Bell, F.R.S.

11 Dec. 1888.

22,929. But in practice it is not done?—Occasionally we get a sample or two, but not many.

22,930. What more would you wish done?—I think that it would be an advantage to have the whole of the chemical work done under the control of one head, so as to ensure uniformity of practice throughout the whole of the Laboratories.

22,931. Yes, but so far as I understand, that is the theory at the present moment, is not it?—It may be the theory, but practice is very different sometimes from theory.

22,932. (*Mr. Lawson*). As a matter of fact, I understand that there is no great willingness on the part of the Customs to avail themselves, as a matter of practice and rule, of your advice?—I believe there is an unwillingness, which is somewhat natural in existing circumstances, but all feeling of that kind would at once disappear on the union of the two Boards.

The witness withdrew.

Mr. Charles John Follett, called and examined.

Mr. C. J. Follett.

22,933. (*Chairman.*) You are the Solicitor to the Customs, I believe?—Yes.

22,934. We are anxious to have your opinion upon the question of amalgamating the Customs and the Inland Revenue Departments, and, of course, to have that opinion entirely irrespective of persons; we wish to have it, so to speak, in the abstract, regarding the Boards and the Solicitors and the departmental heads as ideal officers?—I understand you.

22,935. It has been put before us, as no doubt you are aware, that there is a conflict sometimes, and an unnecessary duplication of opinion, between the Solicitor to the Inland Revenue and the Solicitor to the Customs. What is your view upon that?—Speaking in the abstract, and of course without reference to the questions that may affect the general staff of the two Departments, I always have thought that the existence of two Revenue Boards for work which is so very cognate, especially with regard to indirect taxation—that is, the Customs and the Excise—was an unbusinesslike arrangement and rather cumbersome. With regard to the two legal Departments, there have been instances when I thought that that applied very much, because there are two sets of laws for things which are very much identical, especially again, as I say, with regard to indirect taxation, Customs and Excise, and sometimes there is the administration of one and the same Act by the two Boards to some extent. Therefore there has been, on some occasions, a conflict of opinion, sometimes on the same section, and even on the same word, between myself and the Solicitor to the Inland Revenue. That does not often happen, but still, of course, it does happen occasionally. I think that an avoidance of that dual action would be in the abstract a desirable thing. That would be my opinion generally.

22,936. That being the case in the abstract, and without going into the question of individuals, but dealing with the subject as a practical question, supposing that this Commission should express an opinion which would lead to the consolidation or amalgamation of the offices of the two solicitors advising the two branches of the Revenue, in what way do you think it could be best effected? Have you thought that out at all?—Do you mean whether the Inland Revenue should be handed over to the Customs, or the Customs to the Inland Revenue?

22,937. Taking the nature of the work, I apprehend that your previously expressed opinions imply this, that there should be one solicitor?—Yes, they do mean that. And then I think under that solicitor it would be necessary that there should be—I do not know how many, because, of course, I speak without intimate knowledge of the work of the Inland Revenue—a certain number of very responsible men, who would have various branches of work attached to them. I do not know exactly what that certain number should be. I should think one, or possibly it might be a little more, would be enough for the Customs work, but I do not know how many would be necessary for the Inland Revenue, because, of course, I do not know intimately the work there. Still, as I say, there should be a certain number of men who, under the solicitor, would have responsible branches attached to them, and who, to a certain extent, must be recognised as responsible for those branches of work, because one head of a large Department like that could not possibly attend minutely to everything; but, at the same time, that he should have the general supervision and chief responsibility of all, I think, would be the proper course, and would be a workable system.

22,938. Is it a fair question to ask you about the amount of the work and the nature of the cases that come up to you?—Yes.

22,939. Are there many responsible questions that come up to you? Take the Merchandise Marks Act. That has given you some trouble, has it not?—That has given an immense deal of work, involving a great deal of responsibility. Of course, the Commissioners have a great deal to do with the administration of the Act, but all the legal work connected with it has entirely fallen upon myself. I should think the distinction between the work of the Inland Revenue (which no doubt is larger than the work of the Customs) and the work of the Customs may be put in this way: The legal questions which are referred to the Solicitor's Department of the Customs are mainly responsible questions, are mainly questions which must be done by professional men. Generally, in fact almost entirely, they come to myself—in fact the Board look entirely to me. I have to go into the papers and know exactly the contents on nearly every question. There are, of course, a certain number of routine papers, but the responsible papers I have to know entirely myself. That is to be expected. In a small Department, of course, it naturally would be the result that the Board would expect the head of that Department to know everything, and to look into everything himself. The work of the Inland Revenue, on the other hand, I should think is very much more clerical work. I do not mean to say there are not a good many responsible questions raised there, but I should say that although the work there is, in volume, a great deal more than the work of the legal department of the Customs, it lies more in the routine work than in the responsible work. It is perhaps a little presumptuous to say so, but I almost think the responsible work of the Customs, involving difficult and delicate questions, is more than at the Inland Revenue.

22,940. Do you attend the meetings of the Board?—Whenever they ask me to do so.

22,941. Is that attendance frequently asked for?—No, it is not frequently asked for. Sometimes, if any particular question of importance is going on, it may be every day for a time, but it is not frequently asked for.

22,942. Leaving out the Merchandise Marks Act, which of course we can readily understand may give rise to a great many questions, what are the kind of questions

Mr. C. J. Follett.

11 Dec. 1888.

that come to you?—Besides revenue proper, and prosecution for smuggling offences, there are various questions as to the meaning of sections of the Acts which we administer, and as to the warehousing law and other laws affecting the Customs, and besides that there is the registration of shipping and of fishing boats, the laws of explosives, quarantine, health, foreign enlistment, and other public and international matters.

22,943. A great many of these questions of prosecutions and shipping law, and other things, are settled long before they come to your office, are they not?—A great many prosecutions are. A great many prosecutions are settled entirely in the country, or by the collectors, or by what are called the Surveyors in London—that is to say, they carry them into Court themselves; but in the important cases, where it is thought advisable to have the assistance of my Department, they come to me.

22,944. Then do the Board settle the responsibility of the officers below as to insisting on these prosecutions?—Yes. There are certain regulations as to what cases they are to refer, and what they may conduct themselves.

22,945. Do all the questions of this sort that are referred come to your office.—Yes.

22,946. You have no offices outside the head Department, have you?—No.

22,947. Have you anybody acting for you in the different out-ports?—I have at Liverpool, not nominated by the Government in any way, an agent whom I am authorised to employ, and do employ. You would not find him named in the Estimates; he merely sends in a bill, and he is paid his charges, subject to a supervision by me, which is a kind of taxation. There is also a firm at Hull, and also one at Edinburgh acting similarly. There also is an agent in Dublin in the same way. I may change them at any time. It is left entirely to me to employ anybody I like. Perhaps you know that the Inland Revenue Legal Department simply extends to England, whereas the Customs Legal Department extends to all the three kingdoms.

22,948. You say you can employ anybody you like at those ports?—Yes, anybody I like, and he sends in his bill—that is a regular solicitor's bill. It does not come to very much in each place in the year. There is no establishment anywhere but at the Custom House.

22,949. I may take it that the gist of your opinion is really that you think the work might very fairly be done, and that it would be better done by having one solicitor?—Yes, I think so, and I have thought so always.

22,950. Do you think it would tend to greater economy besides improved administration?—I think there would be some economy. Of course there would be some economy in respect to the salary of the solicitor himself. I cannot speak as to what exists now at the Inland Revenue—that I do not pretend to do—but I think that, as to Customs work, at first it would be necessary that there should be the same staff, speaking of professional men only, as exists at the Customs at the moment. I do not mean to say personally, but the same number. I think, however, that that by degrees might be diminished.

22,951. Do you think that the number of cases that come up for decision to the respective solicitors would diminish a great deal when there was one authority to give the interpretation?—Yes, I think they would be diminished. I will not say a great deal, but I think they certainly would be diminished.

22,952. (*Mr. Lawson.*) In giving that answer you are aware, of course, of the very large cost and number of the staff in the solicitor's office of the Inland Revenue in London as compared with the figures in your own office?—Yes, I am aware of that.

22,953. And you still think the solicitor of the amalgamated Revenue Department would have to retain the staff of both offices at first?—I cannot speak at all as to the Inland Revenue, as I do not know whether they are undermanned or overmanned, but I do not think the Customs work could be done at first with a diminished staff. I think when there is one amalgamated staff that by degrees that might be done. I have four men on the professional staff, but I cannot rely on more than three as a rule. Having regard to the leave which they all take in the year, and occasional illness, I cannot rely on more than three. If you have an amalgamated staff that deficiency might be supplied, and I think by degrees you might effect a diminution in that way. But here again I am only speaking with knowledge of my own staff, and not with any knowledge of the staff of the Inland Revenue.

22,954. (*Lord Lingen.*) You are aware, I suppose, that the business which comes before the Solicitor of the Inland Revenue divides itself into two great branches—one that which concerns Excise and the other that which concerns Stamps and Taxes?—Yes.

22,955. On the side of Excise of course there is great similarity between his work and yours?—Yes.

22,956. Have you turned your attention to the great diversity which arises when you come to deal with Stamps and Taxes?—Do you mean as regards my personal knowledge of them?

22,957. I did not mean that, but I mean when you come to make a single solicitor's department your official experience—I say your official experience as distinct from your professional experience—is confined to that part of the work which answers to the Excise?—Yes.

22,958. And not to that part of the work which answers to the Stamps and Taxes?—I have no official experience of the Stamps and Taxes.

22,959. If you had a single solicitor should you be inclined to put him in Thames Street or in the Strand?—In the Strand.

22,960. Take the two cases—first of two Boards, but one solicitor's department for both of them?—I hardly contemplated that. In giving my former answer I was thinking of one Board.

22,961. I will take your answer, please, on the view that you yourself had taken, that there was one Board. Where would you put the solicitor?—At Somerset House.

22,962. But you would quite feel the necessity of having a head clerk, the head of a great branch, placed, I suppose, at the Customs?—Wherever the Board of Customs was located there would have to be such an officer, with some staff.

22,963. Wherever the Customs business was carried on, you mean?—Yes. There would have to be such an officer undoubtedly, because the Board of Customs do sometimes very urgently require personal communication with somebody who can advise them at once.

22,964. What is the lowest official in rank who can now order a Customs prosecution—any one below a collector?—Nobody except a person acting for a collector at the time.

22,965. A collector or some one acting for him?—I ought to say one thing. Perhaps you know that there is not a Collector of Customs in London as there is in the out-ports, but that the Board act really as the collectors in London. The Collector of London is merely a receiver of money—he does not administer anything, but merely receives money and acts for the registration of shipping; he is not a collector in the sense in which the other collectors are. Therefore in London there are various districts. Each district is put under a Surveyor, or sub-collector as he would be called anywhere else, and these surveyors would superintend small prosecutions.

22,966. But at an out-port a collector, if the out-port was of sufficient magnitude to justify one, or a superintendent, or any one taking the place of a collector within his own collection, could order a prosecution, could he not?—Yes.

22,967. And that without reference either to you or to the Board?—Yes; the cases are generally of arrest and immediate trial.

22,968. He would report it, I presume, but he would not stay his proceedings to get an authority to begin it?—No, not to get an authority to begin it, except under certain circumstances which are rather complicated. Tobacco and spirits are, of course, the main subjects of smuggling, and if they exceed certain amounts—20 lbs. of tobacco and five gallons of spirits—that is to say, if they are anything but minor cases, there is an order to him to refer all those cases to the Board. But then it does not follow that he does not conduct the prosecution himself afterwards without any intervention or without any assistance from my Department—it does not follow that he does not, but only that he is obliged to refer those cases to the Board, and they are sent to me to advise upon as to whether they are desirable cases for prosecution or not.

22,969. In ordinary cases he would go into Court himself and conduct them?—Yes; or one of his responsible officers.

22,970. Supposing that it required some more professional advice than that, would he write up to you to send one of your clerks down, or should you authorise him

to employ a local solicitor?—That would depend entirely on the case. Sometimes I send one of my clerks, if I think there is something on which I should like to give special instructions myself or something really involving an intricate point under the Customs Law, or sometimes, if I think it is the least expensive way—just exactly as a case happens—generally, if he requires legal assistance, it is a cheaper thing and an easier thing for him to employ a local solicitor.

22,971. Should you leave the choice of a local solicitor to him?—Except in those towns where it is a regularly recognised thing, as I was mentioning just now—in those towns he goes to the particular firm whom I always employ.

22,972. They would be Liverpool, Edinburgh, Dublin, and Hull?—Yes.

22,973. In those there is a local solicitor who does Customs business?—A local firm of solicitors who do Customs business.

22,974. But otherwise, like any other client, he would go to a solicitor at his own discretion?—Yes.

22,975. That solicitor's bill, I suppose, comes up to you for taxing?—Yes.

22,976. I think you said you were not very often summoned to attend the meetings of the Board, but that a good deal of daily reference was made to you?—Yes.

22,977. Are you in pretty constant communication with the Secretary of the Customs? Whom do you see mostly among the executive officers?—The committee clerks and the secretary are nearly all of them constantly coming to me, or I go to the secretary, just as it suits us. I am in constant communication with some or other of them.

22,978. Is that communication on subjects of such importance that if you were in one place and the Board and principal officers in another there would be very great inconvenience?—It would be so unless there was some head clerk, as you expressed it just now.

22,979. Some managing clerk?—Yes, some managing clerk or head officer.

22,980. An officer of such rank and skill and trust that he could dispose of most questions without referring them further?—Yes. I should say so with regard to questions of ordinary importance.

22,981. On what sort of questions now does a conflict of opinion arise most frequently between you and the Inland Revenue? I do not ask for any particular case, but what class of cases?—I do not mean to say that they have been frequent, because generally we have been very unanimous.

22,982. Where there are two people there is generally some conflict of opinion.—Yes. Where they arise and where they have arisen is on three or four subjects, and rather marked subjects, with regard to the warehousing law, where of course the two systems have direct mutual action, as you no doubt are aware, and work under one code.

22,983. Do you think these questions might be largely obviated by an annual revision of the code?—The code is revised very often.

22,984. Are you consulted in the revision of it?—I was, but not much in the last one.

22,985. Perhaps you might have been with advantage more consulted?—I do not know. I was occasionally consulted about it. Perhaps I might have had some suggestions to make if I had been more consulted, but I should not wish to imply that I make any complaint.

22,986. In these cases where a conflict of opinion arises I suppose, somehow or other, a conclusion is arrived at by compromise?—Sometimes.

22,987. They are not left practically outstanding?—No, they are sometimes settled by compromise, and sometimes—once or twice—by a reference to the Attorney-General.

22,988. When a case of that sort has been thoroughly examined and decided, is a record kept of it?—Yes

22,989. In both Departments?—I keep a record of it, and I take it that there is a record kept at the Inland Revenue.

22,990. Have you found the same case raised a second time?—No.

22,991. (*Mr. Lawson.*) It has been thought possible that under two Departments you might consolidate certain branches which would be common to both?—Do you mean certain branches of the law?

22,992. No, certain branches of administration, yours amongst the number. Do you believe, as a matter of fact, that it would be possible to have one solicitor's office responsible to two Boards, one sitting at the Custom House and the other at Somerset House?—There is a greater difficulty in that than in an entire amalgamation of the two Boards, no doubt; but yet, at the same time, I think that would be possible.

22,993. Does not it strike you that in itself the joint responsibility would be mischievous?—The responsibility to two different Boards?

22,994. Two different heads and two different Boards.—That is rather a new question, and I had hardly thought of it before. I thought of the question more as of the amalgamation of the whole service; but still, at the same time, of course, it does exist to some extent; you have it at the Treasury.

22,995. As a matter of practical work, do not you think it would be difficult to have a Board sitting at the Customs House and its solicitor at Somerset House?—Yes, I think that would be a difficulty, and it would be absolutely necessary that at the Custom House, if there were a Board sitting there, there should be a staff with, as I said to Lord Lingen just now, a head man, a managing clerk, or somebody of considerable responsibility.

22,996. Do I understand that those allowances of which you have spoken to certain solicitors in private practice at Liverpool and Hull appear in the Estimates for Customs Department under the head of Law Charges?—I should think they do, most likely.

22,997. Supposing there were a general consolidation, you could dispense with those charges, could you not?—No.

22,998. Would you, in any case, if you had the advantage of the officers of the Inland Revenue, be obliged to employ private solicitors for Custom House work in the same manner?—If there was any local solicitor for the Inland Revenue at any of those towns, of course I should not, but I do not imagine that there is.

22,999. You would have a solicitor for the Inland Revenue, of course, at Edinburgh and Dublin?—At Edinburgh and Dublin, yes. But I think they are not under the Department in London. I think they act quite independently.

23,000. They appear under the same head, do they not?—They do, but I think they act quite independently.

23,001. You do not know what the Inland Revenue does in the case of these out-ports, do you?—I think it is more the practice at the Inland Revenue for the Solicitor to send men from his own office to conduct nearly all the prosecutions than it is with us. I do not know quite why that should be, but I rather think that he sends them.

23,002. (*Chairman.*) Have you any particular preference, from the Customs point of view, for either system? Would you rather have a stronger staff, and send men to prosecute more from headquarters, or would you rather have your present system?—I think our own system works very well. We very seldom find a failure of justice. The collectors do the work very well indeed, and whenever they feel that they are not competent to do the work they do not hesitate to ask for assistance from me, either direct from my Department or by some local solicitor, and if ever they ask for it they always get it.

23,003. If an opposite kind of practice prevails at the Inland Revenue, would you be inclined to think that that was not quite the most economical?—I think there might be some saving in that respect, but I hardly like to speak much of the Inland Revenue. I believe it is their practice to send from the Solicitor's Department of the Inland Revenue in most cases for prosecutions about the country. I think that these prosecutions are conducted by some of the Solicitor's clerks, who go about the country for that purpose. I hope I have not misrepresented that, but I think that is the case.

23,004. (*Mr. Lawson.*) You yourself are a solicitor, I think?—Yes, I am on the Rolls.

23,005. And you were in private practice as a solicitor before you got this appointment?—Yes.

23,006. Are there any other solicitors in your Department?—None absolutely admitted, but two were trained as solicitors.

23,007. Two of the clerks were trained as solicitors?—Yes, and two members of my staff are barristers. The Assistant Solicitor is a barrister and one of the clerks is a barrister.

Mr. C. J. Follett.

11 Dec. 1888.

23,008. Do you consider it is an important thing that for the public service a gentleman should have had a private training in a solicitor's office in that branch of the law?—I will not say particularly in that branch, but my experience is that he should certainly have had practice in something. I think the appointment of a man to these offices straight off, without practice, is very disadvantageous.

23,009. Do not you consider that there is a wide difference between the position of a man who has been called to the Bar, we will say, and that of a solicitor who has actually been in practice, in respect to their legal knowledge and experience?—Yes, I do, and I think the latter is the most qualified.

23,010. Are you aware that the charge of the Inland Revenue for the head office in London is about three times yours?—Yes, I know it is.

23,011. You say you have no knowledge of the work that is done there, and therefore you cannot give any opinion?—No, I do not like to speak about that, because I do not really know.

23,012. Would you be disposed, from what you know, to say that the questions for original decision coming before you are as numerous as those that are dealt with at the Inland Revenue?—I think so.

23,013. Do you foresee, in an amalgamation, the prospect of a considerable reduction of staff in time?—I do not know that I should like to use the word "considerable."

23,014. Do you foresee a reduction?—A reduction, yes.

23,015. And you do not think there would be any disadvantage supposing there were one Department under one Board at Somerset House, which had merely to send down a subordinate to the Custom House if necessary?—I think that could be worked, and I think it might be desirable.

23,016. As a matter of practical administration, you do not see that there are any insuperable difficulties?—I do not see that there are any insuperable difficulties in that.

23,017 (*Chairman.*) One question about the Customs Law. Is it the fact that there is a good deal of Customs Law which is highly technical and complex?—It is all technical entirely—no person in the outside legal world would know a word of it, I think.

23,018. Does it differ very materially in its nature, so far as you know, from the kind of law that is dealt with by the Solicitor to the Inland Revenue?—As far as the Excise goes—the other branch of indirect taxation—it is very similar.

23,019. That I understand. On the warehousing and all those kind of questions practically there is no difference?—Very little difference, and you can hardly administer one without knowing the other. In fact you must know the other.

23,020. Is there a great amount of Customs Law—Acts of Parliament which deal with the action of the Customs upon other spheres of their work than that of warehousing—which really requires a good deal of attention and extra knowledge?—On all the subjects dealt with by the Customs beyond mere Revenue questions there is a great deal of extra knowledge required.

23,021. I understand you to be of opinion that one legal adviser in the person of a solicitor would be able, with justice to himself and to the Board, to advise the Board upon all of it?—I think so—to superintend as the head of it.

23,022. You think he could?—I think he could.

23,023. Have you anything to add to the evidence you have already given us?—No; I think not.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

SIXTY-SEVENTH DAY.

7, Whitehall Place, Westminster, S.W., Thursday, December 13th, 1888.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

EARL BROWNLOW.	MR. A. S. HARVEY.
LORD LINGEN, K.C.B.	MR. H. L. W. LAWSON, M.P.
MR. J. CLEGHORN.	MR. H. WALPOLE, C.B., *Secretary.*

MR. HENRY PARRY GILBEY called and examined.

Mr. H. P. Gilbey.

13 Dec. 1888.

23,024. (*Chairman.*) You are a partner, as we know, in the large firm of W. and A. Gilbey?—Yes.

23,025. I believe you contribute very largely to the revenue in respect of wines, spirits, and tobacco?—Yes.

23,026. Perhaps you will give us an idea of the magnitude of your operations?—We contributed to the revenue during last year, which you may take as a fair average year, 394,000*l.*, of which 16,000*l.* came through the Customs, and the rest through the Excise. The above sum includes 82,000*l.* from British spirits distilled in England.

23,027. When you say that 16,000*l.* come through the Customs, I suppose you mean that that 16,000*l.* is paid directly to the Customs officers?—Yes.

23,028. But of the remainder, a large sum is collected as Customs duties by the Excise?—As Customs duties by the Excise. We reckon that we pay something like 400,000*l.* a year for wines and spirits, and about 300,000*l.* for tobacco.

23,029. (*Lord Lingen.*) Did I understand you that the bulk of that 400,000*l.* was paid to the Inland Revenue as distinct from the Customs?—The great bulk of it was paid to the Inland Revenue. We only pay about 16,000*l.* by cheques to the Custom House in the City.

23,030. Why is that duty paid to the Inland Revenue. I should have thought that the import duty upon wine would have been paid to the Customs?—As explained already, we pay to the Customs only about 16,000*l.* annually: the remaining sum is collected by the Excise, as we have our own bonded warehouses at Camden Town, and the duties are paid there.

23,031. The actual wine duty you pay to the Inland Revenue officers?—Yes, practically we pay our wine duty to the Inland Revenue.

23,032. But that gets, I presume, into the official books to the Customs revenue, ultimately?—Yes.

23,033. You pay it to the Inland Revenue merely as a matter of trade convenience?—Yes, that is all.

23,034. (*Chairman.*) Could you tell us what figures would represent the duties, if any, that you pay to the Inland Revenue as Inland Revenue duties; because the bulk, as I understand, of this 394,000*l.* is Customs duties for imported wines and spirits?—The Inland Revenue duties would be on British spirits only, which amount to 82,000*l.* The balance would be duties of Customs on imported wines and spirits of which the wine alone would not form a very large item. I should fancy that the wine would not be more than one-fifth of that, because the spirit duty is 10*s.*, and the wine duty from 1*s.* to 2*s.* 6*d.*; so that although the quantity is about equal, we pay seven or eight times as much for spirits as for wine.

23,035. (*Mr. Lawson.*) How much ultimately goes to the Inland Revenue and to the Customs; not what is the method of payment, but how much does the Customs take, and how much does the Inland Revenue take in the year of those figures that you have given us; in other words, what would be Inland Reveune payments proper, and what would be Customs payments proper?—About 16,000*l.* only is paid by us direct to the Customs, but 154,000*l.* for foreign wines and foreign spirits is paid to the Inland Revenue for account of the Customs. The remainder, 230,000*l.*, goes directly or indirectly to the Inland Revenue for English, Irish, and Scotch spirits.

23,036. Which would go to each department?—Which would go to Inland Revenue in the first instance, except as to about 16,000*l.* paid to the Customs direct.

23,037. (*Chairman.*) Are those spirits imported spirits?—Yes, 16,000*l.* is for imported wines and spirits.

23,038. Then that is a Customs duty?—It is a Customs duty; but we take nearly all spirits up to our own warehouse under bond from the Customs into an Excise warehouse.

23,039. What is the 82,000*l.* which you gave as the duty that you pay in respect of British spirits?—This sum represents payments for duty on British spirits sent to our distillery for rectification. We pay somewhere about 12,000*l.*, perhaps, for champagne coming by way of Folkestone and Boulogne. We pay as soon as it arrives without putting it into bond because the duty is so low; in fact, if we took it from the Customs into our Excise warehouse the expense would be so great that we prefer to pay the duty directly they arrive and have them up direct.

23,040. (*Mr. Lawson.*) That represents 12,000*l.* of the 82,000*l.*?—No, the actual payments stand as follows:—

	£
Customs and Excise duties paid through Excise - -	308,000
Do. do. paid through Customs	16,000
British spirits paid through Excise - - - - -	70,000
	£394,000

23,041. I thought you said that the 82,000*l.* were for British spirits?—Yes.

23,042. And the other 12,000*l.* is for champagnes?—Champagnes and things that are paid, as we call it, from the railway, or from the ship direct, as well as about 4,000*l.* for sundry foreign spirits similarly dealt with.

23,043. They are not bonded, are they?—They are not bonded at all?—The duties being low on the bulk of these articles, we prefer to pay the Customs on arrival; thus if we had 200 hogsheads of claret come to-morrow morning, we should prefer to pay the duty of 1*s.* per gallon over the ship's side.

23,044. (*Mr. Cleghorn.*) And that goes to the Customs, does it?—That goes to the Customs direct. It forms part of this 16,000*l.*

23,045. (*Mr. Harvey.*) Where does the claret go to?—We could take it where we like, the duty having been paid.

23,046. Do you take it to your own warehouse?—To our duty-paid warehouses.

23,047. (*Chairman.*) Your own firm, I understand, does not make British spirits?—No, the law does not allow that. We merely rectify the plain spirit.

23,048. I understood you also to say, that you paid a large duty in respect of tobacco?—Yes.

23,049. I think you said it was about 300,000*l.*?—Yes, about 300,000*l.*

23,050. Therefore in doing this large amount of trade with the two departments in respect of wine and spirits and tobacco, you must have had considerable experience as regards the dealing with the two departments?—Yes, over a very long period of time.

23,051. (*Mr. Lawson.*) Could you say for how long?—Just 50 years. I commenced as what is called "a clearing clerk," 50 years ago.

23,052. (*Chairman.*) Do you mean in Government employ?—No.

23,053. As a clearing clerk connected with your own trade?—Yes.

23,054. The point upon which we are anxious to have your opinion is, as to the inconveniences, if any, which your firm experience from having to deal with two separate Government departments?—It is palpable upon the face of it that most of our work is done in duplicate. The Customs must land our goods and gauge them; it is a simple thing; we pass an entry to the Custom House, an overside entry, into whatever dock or warehouse we think will land them cheapest, and then they are examined by the Customs and Excise, and account taken of them. As soon as ever we can get that account taken, they are carted up under bond, or by water, through the canal to our own bonded warehouses.

23,055. (*Lord Lingen.*) The Customs both gauge the casks and test the contents, do they?—Yes.

23,056. Is that done by the Customs officers?—Yes.

23,057. (*Chairman.*) Then it is taken to your own bonded warehouse?—Yes.

23,058. What is the operation there?—The operation there would not be a very important one. It would be merely to check the goods to see that they have arrived in the state in which they have left the Customs.

23,059. (*Mr. Lawson.*) Who does that?—The Excise.

23,060. Do they get the information from the Customs?—Yes, of course.

23,061. How is that sent?—Through the post.

23,062. (*Chairman.*) So far as we have got now then, whether the Customs and Inland Revenue were amalgamated or not, the same work would have to be done by some officers?—Certainly.

23,063. (*Lord Lingen.*) And at two places?—No, I think not. I might illustrate it, if I may be allowed, in this way: some years ago we petitioned to be allowed to land our goods overside into sealed barges, or with an officer attending, to go direct up to our place.

23,064. (*Mr. Lawson.*) Up to your stores at Camden Town?—Up to our stores at Camden Town, because there is water carriage from the river. That would be a most important saving, I say by hundreds of pounds, but it might go into four figures. I presume that the Act of Parliament did not give them the power, or that the Customs could not hold themselves responsible for the revenue, unless they first examined the goods. I daresay in those days there was a degree of strict red tape, which, I am happy to say, in both services we have not to complain of at the present moment. I think that is a case that would strike you as being a very important one.

23,065. (*Chairman.*) As I understand, instead of having your goods examined by the Customs at the water side, you wished that they should be delivered into sealed barges, and taken up for their first examination at your own warehouses?—Yes.

23,066. I do not quite see how that depends upon the question of amalgamation?—Because there would then only be one examination.

23,067. If it is held by any department then there must be an examination at the waterside, does it not follow that there must be an examination subsequently to see that nothing has happened in the transit?—My suggestion would be to avoid this waterside examination, by unloading the goods direct into locked and sealed barges in charge of an officer, who would accompany the goods to our bonded warehouses. You

Mr. H. P. Gilbey.

13 Dec. 1888.

must bear in mind that nine-tenths of the ships are either in the pool, or go probably into a dock, or to a warehouse, and that we have to remove the goods again to a place that we appoint for their examination. We generally appoint the London Docks.

23,068. (*Lord Lingen.*) Would your suggestion apply to a bonded warehouse to which there was not water carriage, if you had, for instance, to put those casks on board trucks?—I think the work might be so organised. Tea, I believe, is placed in sealed railway vans, and goes from one warehouse to another.

23,069. As far as you are concerned, unless it suited your trade to warehouse these goods at the waterside, and to have the work done there, you would like to transfer the waterside duties to whatever inland warehouse you wanted the goods at?—Yes. The limit within which the Custom House grant a Customs bond is 300 yards, or something of that kind, but that limit, if my idea was ever adopted, would have to be considerably increased.

23,070. (*Mr. Lawson.*) What you wish to point out to the Commissioners is this I understand; that in the case of an amalgamated service, there would not be the desire on the part of the one department to duplicate a duty for the sake merely of asserting its own authority, but the result to the revenue would be the same?—Yes.

23,071. And it would be a convenience to the trade if, instead of having this double examination for no purpose whatever, there were a single examination, and the whole were taken at your own bonded warehouse?—Certainly; I think there is no doubt about that.

23,072. (*Chairman.*) Is there anything to prevent that being done now; is it not done in the case of tobacco?—No, I think not.

23,073. Is it not the case at Haydon Square, for instance, with the tobacco coming from Liverpool?—That has been examined at Liverpool.

23,074. It is simply weighed in gross, is it not, by the Customs, at Liverpool, and sent direct to a bonded warehouse, say, to Haydon Square, and there examined by the Excise on behalf of the Customs. Could not that be done in the case of wine also, supposing that the Government saw its way to there being no duplication of the duty?—It could certainly, and I petitioned the Custom House that they would grant it.

23,075. (*Mr. Lawson.*) Is it done in the case of your own tobacco business?—We buy a portion of our tobaccos in Liverpool, and these are sent under bond to London, and we then have the privilege of paying the duty on them to the Customs in London, thus saving the expense and trouble of sending remittances to Liverpool.

23,076. (*Mr. Cleghorn.*) Was that application that you refer to, to have those goods put into sealed barges, not acceded to?—It was not acceded to.

23,077. (*Mr. Lawson.*) It has not been done up to the present time, has it?—No, and it seemed to be impossible in those days to grant it. I should say, however, that within the last five years the desire of the Customs and Excise has been so great to meet the wishes of traders, that things have altered altogether.

23,078. (*Mr. Cleghorn.*) I rather inferred from you that it had been altered since those days which you referred to?—I have nothing to say against either of the services in regard to their desire to meet the wishes of traders. Of course, if I was asked to say which I should prefer to be under, the Customs or the Excise, I would answer that question.

23,079. (*Mr. Lawson.*) But, as I understand, nothing has been done yet in that particular direction to meet you?—Nothing at all, so far as my application was concerned.

23,080. And you believe it, as I understand, to be due to want of intimate relations between the Customs and the Excise, so that they can arrange these things between them?—It occurred to me at the time that the Customs did not wish to lose their authority over the goods, although it must have been a matter rather of sentiment than of reality.

23,081. (*Mr. Harvey.*) Do you think the abolition of that waterside examination would be safe for the Government to adopt universally?—I think it would to a certain extent. I do not say universally, as I think it might not be safe in small matters.

23,082. Would not that put the Government in the very difficult position of having to select one merchant to whom they would grant the concession, and another to whom they would not?—It might put them in an unpleasant and invidious position, but those things are to be met. Of course, if I have got 100 pipes, and another man has got a quarter cask it is a very different thing. I daresay in the latter case the merchant would be satisfied to let the quarter cask be landed wherever the vessel arrives, but with large quantities the case is different, and there can be no doubt that increased facilities would, as in our case, be of great advantage to the trade generally.

23,083. Have any other large importers besides yourselves expressed the same opinion?—I have heard of it elsewhere, I fancy in Scotland and Ireland, and I should imagine that large traders would be sure to avail themselves of it.

23,084. I should like to emphasize the point as to your view on this question, whether or not it would be perfectly safe for the Government to dispense with such an examination?—Perfectly. I can hardly imagine such a thing as that it would not be safe, with the many men that they have everywhere at the waterside, both Excise and Customs. The red tape could be a little relaxed, I think.

23,085. (*Mr. Lawson.*) The officer would be with the goods the whole time, would not he?—Yes, the officer would be with the goods.

23,086. As a matter of fact, when you talk of special facilities being given to large firms against small firms, it is a matter of common knowledge, is not it, that the Government, like every other—I may say business—like every other great organisation, meets, so far as it can, the convenience of the large traders bringing a large revenue?—Every desire has been shown in that way of late years.

23,087. (*Lord Lingen.*) But you could make the rule perfectly impersonal as between one trader and another, could not you?—Certainly.

23,088. Namely, if you land goods of such and such a bulk they will be treated one way, and if they are under that bulk they will be treated another?—Of course.

23,089. (*Mr. Lawson.*) But you are not the only large dealers?—Not at all, especially in Scotland and in Ireland, where merchants are very glad to have their own bonded warehouses.

23,090. (*Chairman.*) Your evidence upon that point comes to this, does it not, that you think that if there had been one Revenue department dealing with the Customs and the Inland Revenue there would have been more inducement to give you facilities in removing the goods than there are under the existing state of things, when the Customs are naturally anxious to protect their own duties?—Yes.

23,091. Could you give us another instance where you think you would be benefited and your trade would be benefited by the two departments being under one control?—There is the saving of time to us. There is a very great portion of time taken up by these two distinct services. If our goods have to go through the Customs it is sometimes a week or more before we get them.

23,092. (*Mr. Lawson.*) Give us a concrete instance?—If I have 100 hogsheads of brandy being landed at the Customs, it must take some time to examine the whole quantity, whereas if they were sent up direct to our own Excise stores, I could take the very first five that were landed and have them examined, and pay the duty. I am only giving that as one instance, but the conveniences must be multifarious.

23,093. As a matter of fact, there are many instances, are there not, in which you find that there is considerable delay imposed upon you in consequence of this duplicate system?—Yes.

23,094. And of the slow method of the Customs work?—Very frequent instances.

23,095. Will you please explain?—If a point arises as to differences of gauge or differences of strength while goods are in transit from the Customs to the Excise, a petition on the subject has to be sent to the Customs to be dealt with. This frequently occupies two or three weeks before a decision is obtained as to whether duties on the deficiency are to be paid. That petition has to go down to the Customs, it being part of their primary duty, and has to come back again.

23,096. Do you find that the communication between these two departments is slow, and consequently injurious to your trade?—I should say to the trade generally it would be.

23,097. And when applications of that kind are now made of course they do not go to one but to both departments of the State?—Yes, to both departments of the State.

23,098. That involves considerable delay, does it not?—Yes, and expense as well as delay. With articles like wines and spirits, delay means great expense.

23,099. (*Chairman.*) Under a system of amalgamation would it not be the case that you would have to deal at all events with two branches of the same department? Suppose that you have your goods landed, then, whether the examination takes place immediately at the waterside, or in your own warehouse, would there not have to be an examination at any rate when the goods come into your warehouse?—Yes.

23,100. And also an examination when they went out?—Yes, but there would be only one examination on arrival instead of two.

23,101. You have the right when it goes out to obtain the advantage of not paying for the ullage?—Yes.

23,102. And also for the diminution in strength which has taken place while it is in your warehouse?—Yes.

23,103. I do not quite see how the operation would be much simpler if you have to deal with one department, for you would have to deal with two branches of it, would you not?—Yes; but there would be one examination only instead of two. I imagine it would be the simplest thing in the world for a man who boards a vessel to see that there are 100 puncheons of spirits, or 100 pipes of wine on board put in to a sealed craft, and taken direct up to our stores; it takes exactly the same time as it would for him to take them up the river and land them at one of the wharves or into the docks; in fact, it would take less time to get to our bonded stores.

23,104. That might all be done, might it not, supposing things remained as they are at the Customs?—I fear it would not be granted.

23,105. I quite appreciate the point of your argument, but I want to be clear what it comes to. It comes to this, does it not, that if arrangements were made whereby those goods were allowed to come and be examined by the Inland Revenue on behalf of the Customs at your warehouse your object would be attained whether there was one department at the head or not?—Yes. At the same time, as the Customs eventually receive the money, they would naturally look to the landing account to see whether they got their money right. If the money has to go back again into the Customs, I presume, at any rate, that it has to be accounted for in their department.

23,106. (*Mr. Harvey.*) Supposing there were only one general head of the revenue; that is to say, supposing at this moment there were only one board and one set of officers, would you still contend that the waterside examination might be dispensed with?—Quite so.

23,107. And could be carried on in the warehouses?—Yes.

23,108. (*Mr. Lawson.*) Do not you think that a certain jealousy with regard to their mutual revenue on the part of these two departments would make the Customs refuse to entrust the whole examination to the Inland Revenue?—I do not think we find that that is the case now to the extent that it was some years ago.

23,109. You could imagine that it would cause a refusal of your petition?—There would be a natural clashing. There is sure to be a friction.

23,110. (*Chairman.*) In the case of tobacco, again, to refer to an instance in which I myself have had the advantage of seeing things done, is not it the fact that the whole of the examination of the tobacco, with the exception of the weighing of it in the gross, is done by the Inland Revenue on behalf of the Customs at present in various bonded warehouses in London. Why should it not be the case also, if there were not special reasons, in respect to wines?—There ought not to be.

23,111. In that instance, at any rate, jealousy has not prevented anything being done?—I think the jealousy question is not so important at the present day. I find that there is a good deal of harmonious working, but several of the Acts of Parliament do not empower the Customs, and others do not empower the Excise to do certain things. Thus the champagne question is causing a good deal of friction just now.

23,112. (*Mr. Lawson.*) Friction between whom?—I am speaking of the trader and the Customs. I do not think you will find that the Act of Parliament gives the Excise any power of dealing with champagne; I mean to say as to the valuation.

23,113. (*Chairman.*) That is the fault of the Act of Parliament, is not it?—Yes.

23,114. (*Mr. Lawson.*) What do you mean by "any power"; any power to do what?—The champagne being in our bonded warehouses, we should apply necessarily to the Excise for it, but the Excise could not decide any point in dispute as to the rate of duty, without first consulting the Customs. They say, "This "question has to be settled down at the Custom "House, you will send your petition." They could not decide upon such a point, nor can they decide upon another very important point also as to vatting and bottling. They give us power almost to a degree which we appreciate, but we have to go, I think, to the Customs on all occasions to check that power and to see whether it is the usual custom in Thames Street.

23,115. In all these cases there is the duplicate process then?—Yes, there is the duplicate process.

23,116. (*Mr. Cleghorn.*) Do you think that that could be avoided with safety were the two departments thrown into one?—With a proper disposition to do so I think it could. I do not see why it should not. Of course amalgamation would be a matter of organization at the present day which should not be very difficult, and could be arranged without any friction I think. It would be a matter, I should say, of great advantage to the trader, and I should think to the Government as well. Centralization is valued very much in business, and the tendency everywhere you will notice is in this direction. Establishment charges are saved by it considerably over and above what people first contemplate.

23,117. (*Chairman.*) Could you call our attention to any other point in which you think advantages would follow from amalgamating the two departments from your point of view?—There is one point I should mention. We have to keep a drawing account at the Bank of England for those wines and spirits that come through the Customs in the City, and we keep another banking account at the Burlington branch. We ought to be able to do it all through one channel.

23,118. (*Mr. Lawson.*) You mean one for Inland Revenue, and one for Customs?—Yes; at present they want a cheque on the Bank of England in the City for payments at the Customs House.

23,119. (*Mr. Harvey.*) Will not the collector of Customs take a cheque on the Western branch?—No, I think that that was refused originally.

23,120. Would you just tell me how you pay duties. Do you get what we call a transfer cheque from the account of your own banker to the Bank of England?—No; I think as far as the Excise is concerned, they holding so many of our goods in their charge, take our cheques. I am not quite sure whether they deliver the goods before they know the cheque is cashed. I think they would not in the City.

23,121. Then do you mean to say that the point of your contention is, that you have to have an account at Threadneedle Street as well as at Burlington Gardens?—We should have to do so, if we did not bank at the Bank of England, or, we will say, another trader who is not likely to bank there, he would have to keep separate accounts. We can arrange our account, having a very important account at the West End Branch. We have to employ a different cheque book and everything of that kind, and of course to keep moneys. Now, I ought also, perhaps, to mention that the number of bonds that we have to enter into is very great, general bonds, and export bonds, warehouse bonds, and distillery bonds, and then the Scotch and Irish will send us spirits under bond. All that, I should think, would be considerably lessened by amalgamation.

23,122. (*Chairman.*) Would you be kind enough to point out how that would come about?—I think if there were only one Department there would be fewer bonds necessary. At present we have to watch those bonds very carefully to see that they do not run out.

Mr. H. P. Gilbey.

13 Dec. 1888.

We are under bond say for 25,000*l.* this week for removals, but if we remove about 25,500*l.* worth, one of the partners has to go down to the Custom House and enter into another bond.

23,123. (*Mr. Lawson.*) Does he have to go to the Inland Revenue too?—No.

23,124. (*Lord Lingen.*) In any place, if you were removing an additional 500*l.* worth of goods, you would have to enter into another bond?—Yes.

23,125. Your difficulty, as I understand, is that you may have to send down to Thames Street for this 500*l.* instead of being able to do it in the Strand; is that it?—I do not raise that point. I think the number of bonds themselves should be reduced.

23,126. (*Mr. Lawson.*) In what way?—I think that we should not have to find one warehouse bond for this, and another for that. We have to give bond that, first of all, the goods that are to arrive go straight up to Camden Town. There are more bonds than are necessary. Upon my plan it would be possible to do away, at least with the landing bond to the Customs.

23,127. (*Chairman.*) You would not be able to avoid that particular bond, would you?—I think so. I do not know how many actual bonds we have to give, but they appear to be very numerous. I think that there would be a diminution of bonds if the duties were under one service.

23,128. (*Mr. Cleghorn.*) Could there not be a diminution in those bonds now without fusing the two services?—Yes, I think probably there could.

23,129. (*Mr. Lawson.*) As a matter of fact, there has not been?—No, there has not been.

23,130. (*Lord Lingen.*) But the bonds necessarily follow the goods. Do you see yourself (beyond desiring a fusion of the boards) how it is to be done?—I think I should be able to suggest a plan if I were asked.

23,131. You think you could?—I think I could; but the authorities possibly would not take my suggestion.

23,132. Would it take such a form as that you should give one large bond and then exhaust it?—The authorities would want only to do for us that which they could offer to everybody else; and, therefore, I do not know that I could suggest a plan right off; but I feel certain that in the case of amalgamation, if the two services are fused together a great many of those things which are now very troublesome would be done away with.

23,133. One way or other the bonds must cover the goods?—Of course.

23,134. (*Mr. Lawson.*) I understand you have to enter into unnecessary bonds, and that that is what you complain of?—Yes.

23,135. But you do not complain, of course, of having to find sufficient bonds?—No.

23,136. (*Lord Lingen.*) What is an instance of an unnecessary bond; because if you got 500*l.* worth of goods beyond your 25,000*l.*, a bond for this 500*l.*, however disagreeable, is very necessary, is it not?—No doubt, but take the following case. Perhaps we might have 10 or 20 carts down to take a hundred pipes away from a vessel, and they would find out just at the last moment that they were 500*l.* short of 25,000*l.*, although, perhaps, there would be a 50,000*l.* bond in existence to cover the warehousing charges.

23,137. But you would not suggest, however inconvenient it might be to your firm, that unless you had given them some extra security they should waive that bond?—Certainly not; but I say that I think the bonding arrangements could be more simplified under one service.

23,138. (*Mr. Harvey.*) In the case you put, I take it that your surplusage of security was not sufficiently large?—In the case I am speaking of it was a security for just one period of four days, say. Of course it is essential that the revenue should be protected. Still, I think, there is a demand for an unnecessary quantity of bonds.

23,139. We should be rather glad if you could point out a specific instance where they might be diminished without in any way minimising the security of the Government?—Many of these bonds are simply a matter of form.

23,140. (*Mr. Lawson.*) Give one case?—I gave a case just now. I said I might have a hundred puncheons of spirit come in this week, and I want to get them up to my warehouse, and do not know exactly that the 25,000*l.* has been exhausted, I should consider it very detrimental and very expensive if they stopped those goods, because perhaps I had not sufficient notice, especially as directly we go down to the Custom House the thing is rectified.

23,141. (*Mr. Cleghorn.*) Would not you have to go through the same process of giving that additional 500*l.* bond, whatever the department?—Yes. I still, however, am of opinion (although I believe you are quite correct in your surmise) that that portion of the demands of the establishment might be minimised.

23,142. If you still had to give the additional bond for the supposed 500*l.* before you could get the goods out, I do not think it matters how many departments you have got to deal with?—I think a more general bond would be sufficient.

23,143. A more general bond?—Yes.

23,144. (*Mr. Lawson.*) Do you mean that you would give a bond for a 50,000*l.* cover?—To cover exports, imports, warehousing, and everything.

23,145. (*Lord Lingen.*) What I suggested, and what I understood you not to approve of, was to give a bond something on the principle of the Cheque Bank, the Revenue Department keeping an account against you until that bond was exhausted?—I cannot disapprove of that at all At the same time, I would suggest a general bond to cover goods for removal, for export, and for the goods in the warehouse. I think we have to give a very large bond for the goods in the warehouse, which are always under the lock and key of the Excise.

23,146. (*Mr. Harvey.*) What is the exact nature of the bond; are there sureties?—Yes, we get two sureties.

23,147. Personal security in fact?—Personal security.

23,148. Not a deposit of stock or anything of that sort?—Oh dear no; we are not overdone with that, we have to use so much of it every day.

23,149. (*Chairman.*) Have you any experience in your trade of Customs bonded warehouses, or do you do all your work in bond with the Inland Revenue now in dealing with your wines?—If we once get goods up to our bond in Camden Town, we have no longer to deal with the Customs.

23,150. You have no other bonded warehouse have you?—No, except our distillery in Scotland, and our whiskey bonds in Ireland; of course we are obliged to have bonds there.

23,151. Upon the question of export; how is that affected as regards your trade by having to deal with the Customs and the Excise also?—That has been very much modified of late. We export only about 1,200 or 1,500 cases a week, and we are allowed (of course I hope it is not a special case, and that every one is treated the same) to put a piece of wire round with the Customs seal, and a hole is bored in the case. I think the Customs nominally accept that. I do not know that they even examine these cases now, because an export note has to go down from our place to the Customs warehouse. The papers, however, must be all passed by the Customs, and that is a point perhaps which is just worth mentioning, as there might be detention in consequence, and goods be sometimes shut out of ships.

23,152. (*Lord Lingen.*) Would a cask, wired and sealed in that fashion, sometimes be allowed to go straight on board without any further examination at all from the Customs?—Yes, and other packages.

23,153. What sort of things?—Cases. The Customs would make a cursory supervision. I do not think they would use the instruments that are necessary in import.

23,154. What would be the saving of labour upon a case that was wired and sealed in this way. What would they omit to do?—They would not open any of these cases. We suffer a great deal from loss of goods imported in cases, because bottles are opened even in small parcels. For instance, if I have a dozen of spirits come this morning, the Customs would open one bottle and the Excise another.

23,155. (*Chairman.*) To keep to this point of having an export of wine or spirits, in regard to any of your goods that you have had in bond, do you find any real inconvenience or any inconvenience from having to deal with the Customs for export?—Only to the extent of their having to go through two departments.

23,156. Is that real inconvenience?—I do not know that it is a real grievance, because supposing the Customs take Excise officers for that purpose, they must take some officers to see they were put on board and to watch their arrival.

23,157. Now about the tobacco; in what respect do you suffer any inconvenience in your trade in that?—Chiefly so far as we have to deal with two departments, as up to the time when the duties have to be paid, the goods remain in the charge of the Customs, and it is only subsequent to that payment that we come under the authority of the Excise. The inconvenience I grant may not be a great one, but such a state of things it seems to me must be an anomalous one, and one involving extra expense.

23,158. How could you make a saving. Could you give us one instance of a transaction of tobacco landed, and after it is dealt with, in which transaction you would be benefited by having to deal with only one department?—I have already said that I think it would be difficult to show the exact way in which we are at a disadvantage in having to deal with two departments, although I still maintain that, looking at it in a business light, such an arrangement seems to be an anomaly.

23,159. (*Mr. Lawson.*) Could you give a case with regard to your tobacco business in which you have to deal for the same matter with two sets of persons?—No; I think not.

23,160. I should like to know how the tobacco is dealt with?—We get the weight notes at the docks and pay the duty to the Custom House, but from that moment we are under the surveyors of the Excise, both as to this new water question and all other questions.

23,161. For that new water question, is the tobacco tested twice, by the Customs and the Excise officers?—No. The Customs test for the amount of initial moisture, and the Excise after payment of duty on the quantity of moisture in its manufactured state.

23,162. The Excise officers alone test it?—Yes; in the latter case.

23,163. (*Chairman.*) I should now like to ask you generally if you have any other point bearing upon amalgamation that you could put before us, from the trade point of view?—I mentioned at the outset that we pay duty direct on some goods from the Custom House to our own stores; but it is generally on goods at the low rate of duty. Some wine now is at a 1*s.* duty, and we sometimes pay duty on 500 or 1,000 hogsheads at the 1*s.* rate of duty, because if we did not we are put to the double expense of sending them from the Custom House to our warehouse. We should not pay that duty in a lump sum if they went direct up to our stores. We should only pay the duty as we wanted the goods.

23,164. Do you mean that in order to be safe you pay more, owing to the nature of this transaction; you have to pay more money out in the first instance than you would have to do to cover it afterwards, of course?—We should pay it by instalments; I mean to say that we should not pay on the 500 hogsheads at once.

23,165. That, equally, could be got rid of without amalgamation. if the facilities, which you say would be so advantageous, were granted, could it not?—Yes, it could be.

23,166. I suppose you would admit there has been a very great simplification and improvement in the bonding system within the last few years?—Yes; and more especially within the last five. I think both services have improved in that respect.

23,167. (*Mr. Harvey.*) I take it that the main point of your evidence is, as far as I have followed it, that the substitution of the warehouse examination for the waterside examination is the principal point in which you see room for improvement?—Yes, as that would leave room for the greatest economy on our part, and, of course, for economy to the revenue.

23,168. That would lead, you think, to greater promptitude, it would save you capital; that is to say, the capital consisting of the larger amount you have to pay now, instead of paying smaller sums from the warehouse?—Yes.

23,169. And you do not think that there would be any risk on the part of the Government?—None whatever.

23,170. And the other point is as to the simplification, if possible, of the bonds you have to enter into?—Yes.

23,171. Those, so far as I follow you, are the two main points of your evidence?—Yes, I think so. I have nothing, perhaps, to do with the economy to the revenue, and of course you do not ask me that question, but judging from a business like our own I think there would be such an economy.

23,172. As representing the convenience of the merchant: those are your two points?—There would arise from their adoption great convenience to the merchant, and other advantages would no doubt follow. This is certainly a point I feel very strongly upon as a man of business.

23,173. (*Lord Lingen.*) I think I understood you to say, that when you had got your goods into an Inland Revenue bonded warehouse, and wanted to draw them out again, there was a reference by the Inland Revenue to the Customs before they would give you the permit. Is that so?—When they once get into our place, excepting for export, the Customs have nothing to do with them.

23,174. They have done with them?—They have done with them excepting to account for the money, and that, I presume, is done on paper, as between one department and another.

23,175. You receive, or the warehouseman receives, with the goods when they come into the warehouse, a statement of their measurement and contents, as the Customs have made it, and then when they have to be drawn out of the Inland Revenue warehouse, of course that Customs document is compared with any wasting that there may have been, or what not. Is that the process?—After the Customs have once delivered, and the Excise have once acknowledged that delivery, I think we are entirely under the Excise, and any waste the Excise has to watch.

23,176. The Excise watches?—Yes; I think we have nothing to do with the Customs after the goods once get into the Excise books.

23,177. (*Mr. Lawson.*) You and your firm, I suppose, are by far the largest customers of the revenue departments in your particular line of business?—In our particular line of business, yes.

23,178. You have long been in favour, I believe, of amalgamation from the traders' point of view, and for the traders' convenience, have you not?—Certainly. I anticipated that it would be carried out some years ago, when a very important investigation was made at our stores.

23,179. Several years ago?—I think it was under five.

23,180. Who made the investigation?—I think there were commissioners from both departments.

23,181. Did they come down and take evidence from you there?—No, they took evidence from our servants, and from the officers of the Excise department at our stores.

23,182. Those were officers both of Customs and Excise?—Yes. I think they were there for some time.

23,183. When you express yourself in favour of amalgamation, you do so because you think that your trade will have greater facilities and convenience, and not from any abstract consideration?—I think the trade in general will benefit, and I am speaking for them as a whole. I hope our own saving will be very great, but I am speaking for the trade in general.

23,184. Of course you are in the habit of constant communication with other wine merchants?—Yes.

23,185. Have you discussed these questions with them?—Over and over again.

23,186. And, so far as you believe, the great bulk of the opinion of the trade is in favour of amalgamation?—I should say so, most certainly.

23,187. Could you name any big firm beside yourselves on whose behalf you are able to speak?—I would rather not do so.

23,188. But you can say that there are several?—Yes, several.

23,189. As business men, they, of course, take the same view, and believe that it must be a great waste to have the same duties performed twice over by two sets of officers?—Decidedly.

23,190. (*Chairman.*) Are the same duties done twice over?—Yes; and I think there is great loss in consequence. Take the case of spirits: in the length of time occupied there is a great loss by evaporation.

Mr. H. P. Gilbey.

13 Dec. 1888.

23,191. (*Mr. Lawson.*) I was going to take the case of the examination both at the Customs and at your own warehouse; but take the case of spirits, what were you going to say?—In the case of spirits, I am of opinion if they are delayed down at the Customs a week or so, we will say, in hot weather, or on the quay, the loss must be very great, and at the same time the revenue does not get the benefit of it.

23,192. The Commission would like to hear some other case besides that of the examination of the spirits which you gave us at the beginning of your evidence, and to which I was alluding when I said that; but give us some other case in which the same duty is twice performed?—I cannot give any point beyond those I have mentioned.

23,193. Supposing that you have to make any communication with reference to conveniences being given to your trade by the Inland Revenue, I understand that they are so mixed up in your business that it must be sent on to the Customs?—Certainly.

23,194. And the matters must be twice considered?—Yes, twice considered. All our petitions go to the Customs, at least, 99 out of every 100.

23,195. Of course your petitions with regard to small matters are pretty frequent?—Very frequent. Trivial matters of leakages and ullages of 2*l.*, or 3*l.*, or 4*l.*, but they are very vexatious.

23,196. Do they all receive double consideration; are they considered both by the Customs and Inland Revenue?—I think most of them are.

23,197. How long does it take you to get an answer to an ordinary petition?—If the Excise have not to consult the Customs we should get it very readily. I would rather, however, you should ask the Excise officers their *modus operandi* as regards action upon petitions.

23,198. But you have had experience of both departments, and without making any invidious comment on the Customs, do you find that greater readiness is shown and greater facilities given you in the one rather than in the other?—I have found that.

23,199. Which?—The facilities are greater with the Excise, certainly.

23,200–1. You have found that your wants are more considered there?—Yes.

23,202. Then, of course, as to different methods of procedure, I believe that there is a different gauging test in the two departments, is there not?—I think of necessity the gauging on the landing of goods is different.

23,203. But as to the actual gauging?—There is a considerable difference.

23,204. What difference have you noticed, and how far has it affected you?—The means of gauging adopted by the Customs, as a rule, is by instruments. It is simple enough, it is true. They have to examine the outside of the cask in order to ascertain the thickness of the wood, and the general character of the cask, after which it is very easy to ascertain what the cask would hold. Of course the system of weighing is the more precise, but you could not weigh everything on import.

23,205. (*Lord Lingen.*) Would you say the Excise do not measure casks?—There is a measurement, but by a different system.

23,206. Do you say by a different system to that of the Customs?—Quite different. The Customs, on arrival, have to ascertain the content, what the cask would hold; but almost invariably at the various distilleries it is an empty cask which the Excise people weigh, and then they weigh it again after they fill it. Of course, that system is more accurate to a $\frac{1}{10}$th than it could be with the Customs, but I think the Customs plan must always be followed on landing foreign spirits.

23,207. (*Mr. Harvey.*) We have it in evidence that that particular examination of the Customs is very much more difficult (because they have to ascertain the content of the cask, the thickness of the wood, and so on) than in the case of the Excise, who can take the empty cask and weigh it and then fill it and weigh the whole?—Quite so. It would not be a very difficult thing for the Excise people to do the same as the Customs. The Excise officers have to employ these instruments, at our stores; at any rate, they have to do so occasionally when there is a cask that we would rather not have emptied.

23,208. (*Chairman.*) At all events there must be some examination of the goods on landing to see what the contents are, and whether that examination is done by the Customs or whether it is done by the Inland Revenue, it must be done by somebody. I mean that there must be a gauging different from the gauging that can be done in the distillery by weighing the cask with and without its contents?—There must, in fact, be an examination which must be done by instruments.

23,209. (*Mr. Cleghorn.*) Would the fusion of the two departments dispense with one of those examinations?—I think not; but I think it would facilitate these matters to a certain extent.

23,210. (*Lord Lingen.*) With inland liquids you have got the empty cask?—Yes.

23,211. With imported liquids you have got the full cask?—Yes.

23,212. And, as a rule, you cannot empty it?—No.

23,213. And therefore you have only got to trust to external measurement?—It will always be necessary to use these instruments more or less, whatever the result of the present investigation may be.

23,214. (*Mr. Lawson.*) Do you believe, from what you know, that in these matters there is as much information sent from the one department to the other as there might be to assist it; do you believe there is a ready communication between the Customs and the Inland Revenue in these matters?—I think so.

23,215. You think that that has now been arrived at?—Yes.

23,216. Have you known the time when that was not so?—I have known the time when there was a jealousy of feeling, but I do not think for a moment that it exists now.

23,217. Do you think that in the tobacco trade there would be any particular advantage accruing to you and other traders from an amalgamation of the services?—Yes. Take the point of examination for moisture, both on the imported and manufactured tobacco. I think it would be preferable to deal with the laboratory of one department only. The laboratory services in both cases are very important services. I have occasion to go to both; of course, I prefer to go to the Excise, because most of our business is done with the Excise, and is a very important department.

23,218. In what cases would you have to go to both?—To the Customs until the duties have been paid, and to the Excise afterwards.

23,219. I am talking of tobacco?—We have further to deal with the Customs if any question arises of drawback, &c.

23,220. Have you dealt with the laboratories of both in respect to spirits?—In respect to spirits, we, of course, have some differences at times as to the exact strength especially under the new rule. In spirits we have occasionally, as I tell you, a little friction, but it soon gets rectified.

23,221. Have you known the officials in the two laboratories take different views of the same case?—Certainly.

23,222. In what case have you found them taking a different view?—I am speaking of very delicate examinations. The Customs have nothing to do with tobacco after it gets into our warehouse duty paid.

23,223. When there has been a difference of opinion between the two laboratories, have you been able to say which has generally turned out to be right in the end?—No, but I think the scientific knowledge at Somerset House is greater than that at the Custom House.

23,224. (*Chairman.*) If you have no other point to bring before us, I think I have no further question to ask you?—I have nothing to add.

The witness withdrew.

Mr. Richard Sedgwick called and examined.

Mr. R. Sedgwick.

13 Dec. 1888.

23,225. (*Chairman.*) You can speak here, as I understand, not only on behalf of the firm of Francis Peek, Winch & Co., but you are also secretary to the Association of Wholesale Tea Dealers?—Yes.

23,226. And that association has already, I believe, discussed the question of the proposed amalgamation of the Customs and Inland Revenue?—Yes, that is so.

23,227. I think I had better ask you whether you are prepared to express any views that they may have, as to any inconveniences which they at present suffer from having to deal with two departments, and whether, in fact, from the point of view of the trade, they see any reason for being in favour of having the revenue all under one department?—Perhaps I may be allowed to state that the experiment was partially made in the year 1882, when the regulations which referred to the Excise were tried to be applied to the Customs.

23,228. Do you mean that that was the making of the one code for the two departments as regards warehousing?—Yes; that was called the assimilation. The result of that was that some of the officers who were then connected with the Customs, and who had an intimate knowledge with the work of clearing different kinds of goods, were pensioned, and other gentlemen were appointed from the Excise. They understood very little of the work then, and the result has been that the experiment has been a very costly one, inasmuch as the staff and the officers were sent out to each of the different warehouses. In the tea trade we have about 24 different places, docks, wharves, and warehouses, in which tea is deposited. The staff was sent from the Custom House to the different warehouses. The result was that when there was any pressure in any particular warehouse, the staff apportioned to it was not equal to doing the work, and where the work was slack, the officers could not be transferred. The Customs have seen the inadvisability of that scheme, and they are now reverting again to the old one; and as a matter of fact, at the present time, there are only four warehouses in which the Customs staff is still stationed. The others have been removed back to the Custom House, where we have one principal, and the work is done under one roof, and any mistakes can be rectified and matters can be put straight on the spot.

23,229. Do I understand you to say that when the change was made in 1882, that there were a larger number of warehouses, wharves, and docks, at which tea could be deposited?—No; the same warehouses existed, but the Customs staff was distributed, or rather an extra staff had to be put on and sent round to these 24 warehouses instead of being at the one, and, as a consequence to the trade, we had to pay visits to 24 warehouses for the purpose of clearing tea, instead of going to the one Custom House.

23,230. (*Lord Lingen.*) The one warehouse that you are speaking of was that in the Custom House itself?—The Custom House has a room where documents are passed, and also another room where the money is collected.

23,231. In its own premises?—In its own premises.

23,232. That part of the business was distributed among the warehouses?—Among the 24 warehouses.

23,233. (*Chairman.*) I gather from you that that attempted improvement in the year 1882 was rather a sort of scattering of the long room over various warehouses, than it was a fusion of the Inland Revenue and Customs in any way?—It was, I take it, an attempt to assimilate the practice of the Customs and the Inland Revenue.

23,234. How was it an attempt?—The Customs officers, some of them at least, were pensioned, and we had to deal with gentlemen who had previously been used to what is technically termed wet goods, that is wine and so on, as against tea, which was called a dry goods article.

23,235. Were any warehouses abolished at that time?—None whatever.

23,236. (*Mr. Lawson.*) I do not understand why the Customs officers, with whom you had been in the habit of dealing, should have been confined to dry goods. You say that you had to deal with a wet goods officer as opposed to a dry goods officer?—Quite so. The officers who were put over it had very little knowledge, or no knowledge practically, of the dry goods.

23,237. (*Mr. Harvey.*) Were all these Customs officers; for instance, up to 1882, goods were sent into anyone of these 24 warehouses after an examination by Customs officers, and into the custody of Customs officers, is that so?—Quite so.

23,238. Will you tell us exactly what happened after 1882?—The goods went to the same warehouses, but as far as the trade is concerned, they had to attend first at the warehouse where the tea was deposited to get certain papers passed with the weights of the teas, and so on, and then pay the money at the Custom House, which is in Thames Street, and then a second visit to these warehouses; whereas when the establishment was at the Custom House, we had simply to go to the Custom House, and the warrant was sent to the officer of the Customs at the warehouse, and the goods were liberated.

23,239. (*Lord Lingen.*) Then, on the whole, you think the change that was made in 1882, was not for the advantage of the trade; is that the gist of your evidence?—That was decidedly so, and I take it that it was not economical either, as there has been a reversion to the old system.

23,240. (*Mr. Lawson.*) I cannot quite understand why the Excise officers came in here?—The point was this. In the country where the entries are comparatively few, there were two departments, the Customs and the Excise quite distinct, and very few entries would be made in one day in the two Departments, and I have no doubt it was a wise thing to amalgamate those two as far as the country was concerned, but in London the conditions are entirely different, the work is so enormous. The duty on tea alone for the year ending the 31st March was 4,600,000*l.* odd.

23,241. (*Mr. Harvey.*) If you will allow me to press you upon this point, I want to get at the warrant. Under the old system, when all the requisite payments had been made, and the tare calculated the warrant went from the Long Room to one of these 24 warehouses, did it not?—Yes; that is so.

23,242. Up to 1882, as I understand you, the whole of that was under the control of officers who had the control of dry goods?—Yes; at the Custom House.

23,243. Then after 1882, who had charge of the duties at the warehouses?—As far as I can make out, they might have been mixed. Some officers were the old dry goods men, but a good many were the officers from the wet branch.

23,244. That is to say, the gist of your contention, is that after 1882, certain wet goods officers were put in these 26 warehouses having charge of tea who did not understand the various operations connected with the tea?—Quite so.

23,245. (*Chairman.*) Can you state further what was the object of doing that?—Economy I should imagine was the intention, and I think, as I remarked, with regard to the country, I have no doubt it was satisfactory, but in London the work connected with the tea itself is quite sufficient to employ many hands.

23,246. What was done then was found to be unsatisfactory, principally, as I understand, owing to the fact that the officers who were in charge of these warehouses or had to deal with the warehouses on behalf of the revenue to a great extent had not had sufficient experience of the tea?—Quite so.

23,247. Since then a change has been made in the opposite direction?—It is a reversion to the old system as much as possible.

23,248. Does that mean that they are keeping one class of officers, namely, Customs officers, to deal with tea?—No; I mean that the clerical work particularly is conducted under one roof. It is a centralisation scheme that is going on as against a decentralisation one distributing the officers at the different warehouses.

23,249. Where does the clerical work principally go on now?—At the Custom House.

23,250. At the Custom House itself?—With the exception of four warehouses where it is stored the whole of the other work is done at the Custom House.

23,251. The bulk of the tea that is imported into this country, all comes into London, as we know?—Yes.

Mr. R. Sedgwick.

18 Dec. 1888.

23,252. Is there a large import at Liverpool?—No; very small now, it is nearly extinct.

23,253. With the exception of London then, where are the principal ports?—It nearly all comes to London; there is very little else.

23,254. Then when you speak of tea being dealt with at other places in England, is it because it is sent from London by railway or round by sea to other bonded warehouses?—Quite so; the quantity that comes into Liverpool is not worth consideration, it is so infinitesimal.

23,255. As regards imports, we need only consider London, in fact?—Only London for tea, certainly.

23,256. Upon this point of amalgamation and dealing with the Excise, where does the trade now find, or does it find, any inconvenience; does the tea often go to bonded warehouses which are under the custody and charge of the Excise?—Yes, probably. I believe they mostly have what they call custom houses in the country; but it will be under the control of the Customs or Excise, I am not able to state which.

23,257. A particular parcel of tea that is imported into London, may be sent, may it not, under bond to a bonded warehouse, say, at Birmingham?—Certainly.

23258. Before it is sent on under bond to Birmingham, what do the Customs do with it in London?—It is first weighed in London for the purpose of ascertaining the gross weight of the package and also the tare, to arrive at really the net weight, to ascertain the amount of the duty which would in the ordinary case be charged upon that package if it were taken into home consumption.

23,259. Then besides the gross weight there is tare taken; that is to say, some cases are opened?—Certainly.

23,260. And the tare is taken?—Certainly.

23,261. Then it is re-packed and sent off under bond to the warehouse at Birmingham?—Certainly.

23,262. When it gets to Birmingham, do you know what is done with it there?—In all probability it goes into what is called home consumption; the duty would be paid there, but the quantity of tea sent under bond now is very small indeed to what is was some years ago, particularly when the duty was higher.

23,263. Why is that?—The duty is 6*d.* per lb., the duty being small the country people unfortunately get us to advance the duty for them here, and the goods are sent down duty paid. There are, of course, cases of tea being sent under bond, but comparatively few, and there are also exports, as you may imagine.

23,264. Leaving out of the question exports for a moment, as regards the general tea trade of the country, practically you may say that all the duty is paid in London?—I should think that we might say five-sixths or six-sevenths of the whole duty would be collected at the Custom House in Thames Street.

23,265. Do the Inland Revenue deal at all as regards taking the tare, or anything else with tea in London?—Certainly not.

23,266. Then you do not come into contact at all with the Inland Revenue, the Somerset House Department, in dealing with tea?—Not with tea; certainly not.

23,267. (*Mr. Harvey.*) Are there no Inland Revenue officers at any one of these 24 warehouses, are they all Customs officers?—All Customs officers.

23,268. (*Lord Lingen.*) I understood in the early part of your evidence you spoke of Inland Revenue officers who had been transferred to this duty with not very sufficient experience, were they Inland Revenue officers converted into Customs officers?—If I did I did not intend to, I meant wet goods officers.

23,269. They were Excise officers converted into Customs officers?—They were wet goods officers converted into dry goods officers.

23,270. (*Mr. Harvey.*) Are you quite clear that they were not all Customs officers?—They belonged to different branches.

23,271. Customs officers who, having had charge of wet goods, were not up to dealing with dry goods?—That is so.

23,272. Then they are not Inland Revenue officers?—I beg your pardon. I did not intend to mention Inland Revenue when I first commenced.

23,273. (*Chairman.*) All you meant was, speaking generally, that it was decentralisation?—It was.

23,274. And that you have now reverted to centralisation more at the Customs?—Yes, and by the amalgamation of the two branches, incompetent people were put in.

23,275. When you use the word "amalgamation," do you mean amalgamation between what two bodies?—The Excise——

23,276. (*Mr. Lawson.*) What do you mean by the "Excise"?—I imagine it to be those who collect the duties on wet goods.

23,277. (*Mr. Harvey.*) I think all that you mean, if you will allow me to put it in this form, is that as a result of this change of 1882, certain officers were put in dry goods warehouses, who, having had experience up to that time in wet goods only, were not competent to take the administration of dry goods?—Quite so.

23,278. (*Mr. Lawson.*) But they were all Customs officers?—That was so. It was taking officers from another department who had not sufficient knowledge.

23,279. (*Chairman.*) I want to be perfectly clear upon this point: does any tea imported into London, confining yourself to London, go in bond to any bonded warehouse which is under the control of the Inland Revenue, and is it examined there by the Inland Revenue officer on behalf of the Customs?—Not to my knowledge; it is Customs officers only.

23,280. Then, as regards the whole of the tea duty, it is all paid direct to the Customs, is it?—Certainly.

23,281. (*Lord Lingen.*) You might perhaps test it in this way: if any question arises, to what department do you address your letters—to the Custom House?—Certainly.

23,282. And never to Somerset House?—Not under any consideration whatsoever.

23,283. (*Mr. Lawson.*) When you say "not under "any consideration whatever," you mean under no necessity whatever. You do not mean that you could not; you mean that you are not called upon to do so?—We are not called upon to do so.

23,284. (*Mr. Cleghorn.*) I think, if I understand you, the Customs alone deal with tea in London?—Certainly.

23,285. (*Chairman.*) Under those circumstances, I suppose, you have no view whatever upon the question of amalgamation of the Inland Revenue with the Customs; naturally you are not brought into contact with the Inland Revenue at all?—No, I mention that to show that in the past our experience rather points in the direction that it is undesirable to bring another department, or rather another set of officers almost.

23,286. You do not want to have your dry goods dealt with by a wet goods man, that is what it comes to?—Certainly.

23,287. If you could tell us anything further which bears upon the convenience of the trade with reference to the suggested amalgamation, we should be very glad to hear it?—The effect of the Custom House being in Thames Street is that warehouses for the accommodation of tea have sprung up in different parts, but all centering as near as they possibly can to Thames Street. The merchants who import teas from China, India, and Ceylon have their offices in proximity to Thames Street. The brokers in dealing with tea are mostly in Mincing Lane, which is not very far from Thames Street; and the whole of the dealers—those who buy the tea, and give credit upon the tea—are also localised near the Custom House on account of the facility for paying the duty at that place. It would be highly inconvenient; in fact, it would almost stop a considerable portion of the trade if we had to go any distance to pay the duty. Tea is an article which is rarely used in the exact state in which it is imported. It is usually drunk after it has been blended, so each tea requires upon an average five or six kinds to be mixed together in various quantities. As a rule, these five or six quantities will be spread over three or four warehouses at least; they have to be cleared; that is to say, the duty has to be paid, and the necessary documents passed at the Custom House for freeing the teas, and they have to be sent off also in one consignment, which is a matter of economy for the consignee, and delivered in one parcel. If there is one kind of tea wanting out of the five or six, the whole consignment is useless until that arrives. If the office of the Custom

House, or the Inland Revenue Department, whichever we might have to deal with, was to be situate anywhere west of London Bridge or far from the present position of the Custom House, I think it would be highly inconvenient not only for the tea dealer but also for the merchants, the brokers, and the warehouse keepers.

23,288. In the dealings of the tea trade with the Custom House, with what officers are they mainly brought in contact at the Customs?—There are two sets; there is the treasury department where they receive the money, and the clerical department, where the different papers are passed.

23,289. Have you ever had to go to the Board of Customs?—Yes, certainly.

23,290. Do the dealers in the tea trade have personal interviews with the Board of Customs at the Custom House?—Not as a rule; it is generally done by petition.

23,291. A petition, of course, could be equally sent to some other place. When you say that it is a convenience to the tea trade, which we readily understand, to have the Custom House in contiguity with the existing warehouses and the existing offices of the different merchants, when this question of amalgamation is discussed I should like to know what Customs officers it is, from your point of view, desirable should be geographically situated where they are now?—The first would, of course, be the Collector of the Customs, the head of the treasury department, and secondly the necessary staff for passing the papers relating to the different warehouses, and also an officer or a board, somebody to whom we might appeal, as we do daily, for instructions to be given to the different officers with regard to goods. I will state an example: an order will be received, probably this morning, for the transmission of goods, say, to Birmingham, and during the day a telegram will come to alter the destination of those goods, perhaps, to Ireland. As we have already passed our papers for the one place we have then to make a petition to be allowed to alter it to another. That an officer cannot do at present, at any rate by himself; it has to be referred to the Board, and the Board, if they do not consider it a frivolous request, pass it.

23,292. (*Lord Lingen.*) And that petition, and the answer upon it, would involve at least a day's delay?—If it were anywhere else but in Thames Street.

23,293. (*Mr. Cleghorn.*) It does not involve a day as the case is, does it?—No, as it is now, it can be done in a comparatively short time.

23,294. (*Lord Lingen.*) You write out a petition, the form is no doubt thoroughly understood, on the spot, and send that in and get an answer to it all in writing; is that the present process?—Yes, that is the present process.

23,295. I did not quite understand whether you suggested that some officer sufficiently high up should be able to give an answer upon that at once without the formality of a petition; did you suggest that?—No, I did not intend to imply that. What the trade look for is that there should be some officers or a board in in Thames Street to give authority.

23,296. To deal with things on the spot?—To deal with things on the spot; it is more necessary, I think, with tea than almost any other article.

23,297. (*Mr. Lawson.*) It does not signify to you, of course, whether the authority be a board or a single officer?—Certainly not, so that the authority is given.

23,298. In fact, you can understand perhaps in some cases there might be less delay if you had not to wait for the meeting of a board?—Certainly.

23,299. (*Chairman.*) Are you familiar at all with the position of the Collector of Customs at Liverpool, say—any out-port collector on a large scale—do you know enough of his work to say whether that is the kind of man who, if this tea was entered at that particular port, would be able to give the necessary authority that your trade requires?—No.

23,300. Your point is that at the Customs it is highly convenient that in that particular position there should be somebody able to deal immediately with the merchants in the tea trade in such a question as that which you have recently put before us?—Quite so.

23,301. And that need not necessarily go to the Board at all; it need not go to the highest authority at the Customs so long as it goes to somebody who can deal with it?—No; there have been cases in the past with the Customs where, upon lodging a security, goods have been allowed to go out for the day, and on the following day any irregularity in the payment, or anything of that sort, has been made right. May I be allowed to state an instance? When the new tea, as it is called, the first pickings of the plant in China and India, is sent over, there is a natural demand in England to see what the leaf is like; sometimes the ships arrive probably late in the afternoon at the docks; it is very desirable that that tea, if possible, should be sent into the country in the same evening. The Customs on these occasions have allowed their officers (to meet the convenience of the public) to remain on duty after the usual time, for which the trade have been very willing to pay, and have paid.

23,302. (*Mr. Lawson.*) Paid who?—Paid the time of the Customs officers over their ordinary pay.

23,303. Their overtime?—Yes, their overtime. There is not time before the train leaves in the evening for these teas to be thoroughly weighed; that is, the gross taken and the tare taken. The gross has been taken, the tea, the lead, and the wood have been taken, and we have paid the duty on the whole; on the lead and the wood, so as practically to secure the Crown. They have the sixpence per pound on the gross, and when the tare has afterwards been ascertained a return has been made to us of that money; that is only done by the officers when they have authority to do it, but in consequence of the plan that was introduced in 1882, some of the inexperienced officials at the warehouses declined even to let us have the teas, although we had paid the duty upon the gross.

23,304. That was set right, I suppose?—It has been set right since.

23,305. It was a small instance of friction, of course, which would not have been permanent, I suppose, because the trade would have protested against it?—Certainly; but we have what we term new teas coming in at various parts of the year. They do not all come in at one rush now as they used to before the Suez Canal was opened.

23,306. (*Mr. Cleghorn.*) You really have no practical difficulty in conducting your trade, have you?—Not with the present staff. I think it has been reduced to as good a position as it fairly can be since clerical work has been removed from the warehouses to the one central place.

23,307. You have no complaint to make then, I take it, as to the regular conduct of your business?—Not with the Customs; certainly not. My impression is, considering the magnitude of the trade, that the Customs' officers generally have done their work with credit to themselves, and, as far as I know, there has been no loss whatever to the Crown of a sixpence in the duty. I think that the checking of the papers, and the liberation of the tea now is, as nearly perfect as it can be. We are only afraid that by any other department taking the Customs under their wings, if I may be allowed to say so, we should have the Customs officers moved from the present place, which has grown into a centre, and the removal anywhere else would cause us great inconvenience.

23,308. (*Mr. Lawson.*) That is to say, unless you had a department or an office more or less in the same place as you have now, it would inconvenience you, but otherwise it would not?—No, so long as the staff is efficient.

23,309. Provided that there is an efficient staff?—Certainly.

23,310. (*Mr. Cleghorn.*) I take it that you would deprecate very much a removal of the place where you pay your duties and get your papers passed to any other locality than in Thames Street?—Certainly.

23,311. (*Chairman.*) You have no knowledge of the very limited portion of the tea trade that takes place outside London, have you?—With great deference I hardly think the outport working of tea is worth consideration.

23,312. Surely it is worth consideration to this extent, is it not, the geographical consideration; if there is some port where there is a certain import of tea, would your observations go so far as to say that the Inland Revenue officers would not be fit to deal with it, leaving London out of the question?—I think that as regards the outports, it would make very little difference whatever, because the quantity of tea is so very small.

Mr. R. Sedgwick.

13 Dec. 1888.

23,313. (*Lord Lingen.*) Do you think out of London, I speak quite in ignorance of the fact, 100,000*l.* per annum is collected in tea duties?—I should think more than that.

23,314. 250,000*l.* perhaps?—No, certainly not. The total revenue up to the 31st of March was 4,613,312*l.* I should not think there is 250,000*l.* out of London.

23,315. And that 250,000*l.* mostly at Liverpool?—No.

23,316. Or spread about?—It is in England and Ireland, and Scotland, Glasgow considerably.

23,317. (*Chairman.*) You represent the Association of Wholesale Tea Dealers. Is that association wholly confined to London?—Entirely to London. I do not like to speak in regard to the outports. I can only give you an idea of the quantity of trade that is done there.

23,318. (*Lord Lingen.*) I gather from your evidence that you rather wish to deprecate anything like a removal of the place where the Customs duty on tea is now levied; but that as far as complaints of the working of the present system you make no complaint?—No, on the contrary I think it is done in a highly efficient manner at present.

23,319. (*Mr. Cleghorn.*) And that no union with the Inland Revenue could improve it?—No, profiting by the experience of the past of that change, we certainly deprecate another one.

23,320. (*Mr. Lawson.*) I cannot quite understand how the experience of the past, when you are dealing only with the Customs, can enable you to form an opinion on the question of the amalgamation of the Customs with the Inland Revenue, because you have never dealt with the Inland Revenue?—The officers who were appointed by the Customs to deal with tea were quite efficient.

23,321. I understand that point, but I take it that so far as your experience goes, you are not able to speak as to the conduct of business by the Inland Revenue?—No, I only know casually about it. I should not like to give an opinion that would make any impression upon your mind.

23,322. It is not within your special knowledge?—No.

23,323. Therefore while you are not prepared to say it would do you good, you are equally not prepared to say it would do you harm, so long as there was an office in the East of London, where you would be able to make your payments for the tea?—We are so satisfied with the present working as regards the tea by the Customs authority, that we are afraid that if we go farther with it we may fare worse.

23,324. (*Mr. Cleghorn.*) If the two departments were amalgamated, and that involved any change in the place for paying the duty, you would be decidedly opposed to it?—Entirely, certainly.

23,325. (*Mr. Lawson.*) On the other hand, if it was found possible to maintain an efficient staff for your purposes in the East of London, you would see no objection to it?—No, not if the same staff were continued. What we object to, if I may be allowed to say so, is a change in the present staff, because we take it that these people have been educated up to the requirements of the tea trade, whereas with the new men we should have to go through a certain time while they were being educated.

23,326. Do you attach much value to the present Board; do you think they have been educated up to your work?—We do not come so much in contact with the Board. Of course there are certain gentlemen connected with the Board who have been long connected with the Customs, like Mr. Murray, who was secretary for some time, I believe; he is a practical man upon it, and we have had no difficulty in dealing with the Board of Customs.

23,327. You would object to a new broom that swept all the men of experience out?—Yes.

23,328. Do you think that if you had an officer in the place of the Board who would attend to these matters of which you have spoken to us, I mean the releasing or whatever your technical term is, you would have any objection to it?—No, as long as the work could be done on the spot.

23,329. (*Mr. Cleghorn.*) I fancy that those petitions that you referred to about transferring the destination of goods are mere matters of form and routine. Have you printed forms to fill up?—No; in those cases we have to write.

23,330. But it is a very short statement, is not it?—Certainly.

23,331. And it matters nothing to the Customs and the Government whether it goes to Birmingham, or goes to Ireland, so long as they have the duty?—Quite so.

23,332. All you want is to get your business expeditiously performed?—Certainly.

23,333. And at present it is so?—Yes, it is.

23,334. (*Mr. Lawson.*) I imagine that although there may not be a printed form, there is a settled form of words which you adopt?—Merely an application asking for certain things; it is a matter that the Board retain to themselves, the power of refusing or not. If they found a firm frequently making mistakes probably they might be inclined to think they had some other intention in it.

23,335. Have you ever known them refuse in an ordinary case of this kind?—No, I have never heard of it.

23,336. (*Mr. Cleghorn.*) So long as they have the duty they do not need to care where it goes, need they?—No.

23,337. (*Mr. Lawson.*) Of course you speak for others than your firm?—Quite so.

23,338. In your experience has there been a case of an ordinary application for a transfer of goods being refused?—Certainly not, if a reasonable one.

23,339. Therefore as it is a matter of routine to a very great extent, it would seem to you, perhaps, unnecessary to trouble the Board with a matter of that kind?—I think I would rather have an officer who was empowered to act. At the present moment whatever the question may be, it is put before the Board, and the Board have power to act upon it, whereas an officer might have some new point before him, and he might have to go to some other body for instructions, hence delay.

23,340. The greater part of your applications would be the ordinary kind that you have described?—The majority are.

23,341. (*Chairman.*) Have you any other point that you wish to bring before us?—In one word, I think we may say that we are practically satisfied with our present position.

23,342. As you said before, you think you might go further and fare worse?—Yes.

The witness withdrew.

Adjourned.

SIXTY-EIGHTH DAY.

7, Whitehall Place, S.W., Thursday, February 21st, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD BASING.
RIGHT HON. H. H. FOWLER, M.P.
SIR CHARLES E. LEWIS, BART, M.P.
MR. J. CLEGHORN.
MR. H. L. W. LAWSON, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

Mr. FLETCHER NORTON called and examined.

Mr. F. Norton

21 Feb. 1889

23,343. (*Chairman.*) You are the collector of Inland Revenue at Liverpool?—Yes.

23,344. Could you first tell us shortly what your staff is at Liverpool?—I have nine officials in my own office.

23,345. Do you mean nine establishment officers for clerical work in the office?—I have a personal staff of nine clerks in my office.

23,346. What is the number of inspectors, and so on, that you have under you?—I have seven supervisors, 37 out-door officers (they are called first and second class officers), an expectant supervisor (who is really an acting supervisor); then I have 16 assistants and a stamper.

23,347. Is that the whole of the staff over which you preside, and which does all the work of the district of Liverpool?—That is the whole of the staff over whom I have control.

23,348. Are there any Inland Revenue officers there over whom you have no control?—Yes.

23,349. Who are they?—The surveyors of taxes.

23,350. Are they entirely independent of you?—They are entirely independent of me.

23,351. (*Lord Basing.*) Although the Departments of Taxes and Excise are amalgamated, are they not?—Yes, although those Departments are amalgamated.

23,352. (*Mr. Lawson.*) But the Departments are not amalgamated locally?—Not locally.

23,353. (*Chairman.*) What is the geographical extent of the Liverpool district; does it comprise anything more than the port of Liverpool itself?—It extends in one direction about 15 miles inland; it takes in the borough of St. Helen's; but the chief work is in the port of Liverpool itself.

23,354. Is the district that you take the same as the corresponding district that the collector of Customs takes. Are the districts identical geographically?—No, I should think not the same. For instance, he would have no duty outside the docks. I go inland for 15 or 16 miles.

23,355. Would he go down the coast to any port south of Liverpool?—He would; he goes down to Fleetwood and to Chester occasionally, I believe, to inspect.

23,356. You are aware that we are principally inquiring now into the suggested amalgamation of the two Departments of Customs and Inland Revenue. Could you tell us what work there is which you and your officers do for the Customs; apart from warehousing, is there any work which you do which is properly Customs work, but which, for convenience sake, is done by Inland Revenue officers?—I am not aware that there is any special work which we do for the Customs Department. The two Departments, in several instances, are mixed up together. The public, in transacting their business, have to go, for instance, to two offices. They deal both with the Customs and the Inland Revenue.

23,357. Is it because they are conducting two different operations over the same set of goods, that is to say, they have to deal with the Customs and with the Excise too. Is that what you mean?—Not exactly that. take, for instance, the case of British spirits. The manufacture is controlled by the Excise, and then the article is warehoused with the Customs or with the Excise. It is then exported through the Customs. They have to certify to the shipping, and certain other forms have to be gone through by the exporter, and then the exporter has to come back again to the Excise to obtain his drawback or allowance.

23,358. Those are all transactions, are they not, which would have to be done by a different set of officers under any system?—Possibly they might, but the trader would be dealing with one set of officials and with one department. Take the case of beer. Beer, again, is manufactured under the control of the Excise, and when the exporter wishes to export the article he has to give a notice to the Excise. He then takes the notice to the Custom House, and he has to go also through other forms. The Customs sample the article, and then the shipping is certified by the Customs. Then he has to come back again to the Excise to make a declaration and obtain the drawback.

23,359. Do you think that the process which you have just been mentioning to us, entails any serious inconvenience upon the trader?—It must be a loss of time.

23,360. We have had it in evidence from one of the witnesses who appeared before us, that he did not think it did; he said that he thought having to deal with the Customs for export did not cause any real inconvenience. I think his view was that he would have to go to two separate sets of officers under any circumstances?—I should, certainly, if I were a merchant, think it inconvenient, if I wished to export beer, that I must first take a notice to one office, and show it to a particular officer, and then go to another office with the same document, and then back again to the original office to make a declaration and obtain the drawback.

23,361. Do I understand it to be your opinion that the work which has to be conducted by the two departments with reference to this transaction of which you have been speaking at Liverpool might be more conveniently done by one set of officers?—And one department.

23,362. So that in that respect you have an opinion in favour of amalgamation?—So far as that particular transaction is concerned; it seems to me that it would be a convenience to a merchant if he could transact all his business at the Custom House, or at the Inland Revenue office, or at some central office.

23,363. Do you think it would result in a reduction of staff, and that an economy would thus be effected?—I do not know, perhaps, whether there would be any economy effected in that particular instance I could hardly answer that question.

23,364. Then may I ask you generally, from your knowledge of this very important district, what is your opinion upon the possibility of effecting economy or efficiency by an amalgamation of the two departments of the Customs and the Excise?—I am strongly of opinion that if the Treasury have one Revenue office there instead of two (because we are really subordinate officials of the Treasury there) it would be an immense advantage to the public service; it would conduce

Mr. F. Norton.
21 Feb. 1889.

eventually, and probably at once in many places, to a considerable amount of economy, and I think it would be a great convenience to the public.

23,365. (*Mr. Lawson.*) What we should like to know is with regard to your own particular district, in what specific instances would it lead to an economy of management and labour?—Of course I am scarcely in a position to discuss the Customs arrangements. They have a very large staff of officials there, and, although I may have a general knowledge of what their duties are, I could scarcely answer that question to its fullest extent, but I can give you some instances where it seems to me that there would be a considerable economy. You would merely have one Controller there instead of two; you would have one big official. You would then consolidate the clerical staffs, and would have one set of accounts instead of two. There would be a very great saving all round from that. It seems to me that you would not only get a saving in the collector's office in the clerical work, but you would also get a considerable saving in the chief office from having one set of accountants instead of two as you have now. I dare say that if you appoint a *bonâ fide* committee—I mean a committee with *bonâ fide* intentions—of the two departments, the probability is, that by consolidating, they would be able to effect considerable economy there.

23,366. You mean in the central office?—I mean in the central office.

23,367. (*Lord Basing.*) If you had to collect the tea duties at Liverpool, must you not necessarily engage all the people who are now cognisant of, and engaged in that business; you cannot do it, I suppose, with your own officers?—Do I understand you to mean taking over the Customs officials?

23,368. Yes, connected with the tea duties; you have nothing to do with tea duties now, have you?—Not at Liverpool.

23,369. Supposing there was an amalgamation, you would have to collect all the duties on tea coming into Liverpool?—We should.

23,370. Would there be any economy in your doing that?—I am not in any way asserting that the Customs are not conducting their work in an economical way at Liverpool. I am not in the slightest way doing that. As long as you have a duty on tea you must have some officers to charge it. I presume, if you made one Revenue Board, probably you would have the same class of officers to perform that work, as you have now.

23,371. (*Mr. Lawson.*) As a matter of fact, at the present time hardly any tea does come into the port of Liverpool?—I am not able, of course, to speak upon that. The same argument would apply to spirits or to other duties—tobacco, for instance.

23,372. (*Chairman.*) Have you anything to do with the surveyors of taxes?—Yes, I come in contact with them a good deal. For instance, the surveyors are the charging officers of taxes; I am the receiving officer of taxes, and so far as Schedules D. and E. are concerned, I really collect them from the public. They are all paid in cash over my counter. But with regard to Schedules A. and B., those taxes are collected by local collectors, and then they pay them over to me in a lump sum.

23,373. (*Lord Basing.*) Are you the chief officer in Liverpool of the Inland Revenue Department?—Yes, apart from having any control over the surveyors of taxes. I have no control over the surveyors of taxes.

23,374. (*Chairman.*) If the surveyors of taxes are in a certain sense independent of your control, does not it strike you that the same thing would be still more the case when you come to the question of an establishment of officers that have to deal with shipping, which has very little to do with Inland Revenue. I want to know exactly how the public would gain by putting what you may call the Customs officers, who deal with shipping, in a similar position to that in which the Surveyors of Taxes now are at Liverpool with you?—There is one central office at Liverpool. We are all in the same office. Their offices are side by side with mine.

23,375. The tax offices?—Yes, and the public frequently come to me or the surveyors of taxes indiscriminately, but in case I cannot deal with the charges, I refer them to the next office.

23,376. (*Mr. Cleghorn.*) As I understand, your duties are simply receiving of money?—Precisely, my duties consist in collecting money. We have three branches of revenue there. We have the Excise, and the Stamps, and the Taxes. I am not only collector of the Excise, but I am controlling official and inspector of all the Excise work outside, so that all the officials there are subordinate to me. Most of the correspondence goes through my office, and I deal with all questions of discipline.

23,377. In the Excise Department?—In the Excise Department.

23,378. But in the other departments, is that so?—In the Stamps we have really no charging officers outside. All the stamp work is done inside by my own personal staff. In the stamps, the public charge themselves, and we merely keep a check upon them, give them advice when they hand in any documents to be stamped. But so far as the taxes are concerned, I am merely Receiving Officer. It occurs to me, that the Customs really are on all fours with the Excise. If the collectors can inspect, and be the inspecting officers for the Excise (and all our collectors are practical men, they have all risen from the ranks), they could also deal in time (of course, it would take time—I do not pretend to understand at the present moment the Customs work) with the whole of the staff there on the same lines as they deal with the Excise.

23,379. (*Chairman.*) As regards warehousing at Liverpool, is there a double set of warehouses at Liverpool?—The Excise have two general warehouses there.

23,380. The Excise have two; and have the Customs any?—I really do not know how many the Customs have, but I have no doubt they have more than a hundred. They have a large number. They must have, because they have, I think, altogether 600 officials at Liverpool.

23,381. (*Mr. Lawson.*) And the number of your officials is in all, how many?—We have between 70 and 80 officials.

23,382. (*Mr. Cleghorn.*) As I count, the numbers you gave in the early part of your evidence cast up to 71?—I gave them in round numbers between 70 and 80.

23,383. (*Mr. Lawson.*) That does not include the whole of the Inland Revenue staff in Liverpool?—It does not include surveyors of taxes.

23,384. Altogether, what is the staff of the Inland Revenue, including the surveyors of taxes, as against the Customs?—We have a staff of 83 altogether there. We have 72 altogether, and I think there are about 11 tax officers there. We have six districts, and in some of them they have Lower Division Clerks, and in others Assistant Surveyors.

23,385. (*Chairman.*) Supposing the proposition was made, that the Customs at Liverpool should amalgamate with itself the Inland Revenue, do you think they would be able to take up your work. They are a much larger body?—The collector of customs might be able to take my work, but I do not think that if he were to abolish our 72 officials, he could perform their duties by means of his present staff.

23,386. That could not be done by whichever side we suppose to remain the one power?—No, it could not. Of course that is more possibly a question for the Customs to answer, as to whether they thought they could take over the duties. We require in the Excise a very great deal of practical knowledge. I am now referring to the controlling, the superior positions. I have been in the service now between 38 and 39 years, and I am a student at the present time. We are constantly learning; it really takes a life time to learn to be able to deal with the whole of the various duties.

23,387. Then probably you would not be surprised to hear that that is a state of things which is also put in a very strong light before us by officials from the Customs?—No.

23,388. Their view is the same as yours, that it requires a life-long experience to understand the work; and, therefore, does it not come to this, what does amalgamation mean at the port of Liverpool? Does it mean much more than having two or three heads who are the controlling heads of both departments alike, whereas the really experienced and practical men below are as separate as they are now?—Yes.

23,389. How far do you think, knowing the Port of Liverpool, could amalgamation be carried as a practical

thing; because you yourself say, that it requires very practical men, and you yourself are still with your experience a student?—Do I understand you to ask, if you gave me the duties, what arrangement I should make to carry it out?

23,390. If you had *carte blanche* to morrow to amalgamate the Customs and Inland Revenue at Liverpool, how far do you think you could carry real amalgamation?—They have for instance several staff officers at Liverpool, they have a collector and assistant collector; they have an inspector, and an assistant inspector; and they have several superior officers, persons with salaries of over 500*l.* a year. What I would do is to work in men of both departments; I would not disturb the existing arrangements.

23,391. Would you get rid of some of the heads?—I would merely transfer them to other places.

23,392. That is getting rid of them. I do not mean getting rid of them out of the service; but would you diminish the controlling staff at Liverpool? That is what you mean, is not it?—I do not exactly mean that at once. I would not give any opinion upon that until I was able to go over the work and consult the Customs authorities as to what reduction could be made. What I mean is this; that I would place the Excise or Inland Revenue officials and the Customs officials side by side to let them see the work, but my own impression is that we are so constantly changing our work in the Inland Revenue that, certainly, in the course of three months I think I could make myself thoroughly master of everything done at the Custom House.

23,393. (*Mr. Lawson.*) That is hardly an answer to the question put to you by the Chairman. Surely you must have thought the matter of local amalgamation over before you came to give evidence here; and I should like to know what offices you think might be amalgamated with a view to economy and efficiency, and how far the amalgamation would go. I do not understand you to answer that point. You simply said you might compare the two services and then see: have not you thought that out?—I could hardly know what questions the Commission would put to me; but I am certainly not prepared to say at the present moment that you could make any very great reduction in Liverpool.

23,394. Not "any very great reduction," but what reduction. I only want to get at your opinion?—With due deference to your question, it seems to me that I am scarcely in a position to answer that question. You must give me an opportunity of inspecting the Customs work before I could do so.

23,395. (*Chairman.*) I quite understand your position. Could you give any other instances than those you have already given us with reference to the export, and a trader having to go to both departments, where there is any unnecessary duplication of work, that is to say, where work which is done by your officers and by Customs officers might be done at once, by one set of officers. Does any particular instance occur to you by way of illustration of such an unnecessary duplication of work. I take it for granted you are fully employed; and we will suppose that your officers have their time pretty well filled, and also that the Customs officers are pretty well occupied?—In a large centre like Liverpool they are. We are really getting the maximum work out of every man on the spot. I am quite sure I am, and I have no doubt whatever that the Customs are doing the same.

23,396. That being so, is not it pretty obvious that you cannot effect a reduction of numbers or an economy in that respect unless there is any duplication of work now. Is it any use doing away with the name of one of two men and calling him Inland Revenue or Customs, whichever it might be, unless you can diminish the work, is there any such duplication of work now?—I do not know that any other duplication of work occurs to me than what I have stated.

23,397. If there be no such instance, is not it rather difficult to see, when you come to a practical question, how far you could reduce the number of officers, or how far the public could be benefited in any way?—I certainly think that travelling outside the large ports, such large ports, for instance, as Liverpool, there are very great advantages to be derived from amalgamation.

23,398. May I ask what ports you have been at before, and what your experience has been?—I was collector at Swansea for four years.

23,399. We shall be very glad to have your opinion derived from your experience at Swansea, and from your knowledge of any other port?—I am not quite sure whether they have a collector of Customs at Swansea now, but they had a collector when I was there, and I was thoroughly satisfied at that time that I could have done the Customs work as well as my own.

Mr. F. Norton
21 Feb. 1889.

23,400. (*Lord Basing.*) How long ago is that?—I left Swansea in 1880.

23,401. (*Chairman.*) You think one collector could have done the work there?—I do, and also that there must have been necessarily a considerable reduction in the staff.

23,402. (*Mr. Lawson.*) Might I put this question to you: at Swansea was your time fully occupied in the Inland Revenue work? I do not put it to your own prejudice, but I simply ask it for information?—That is more a question of staff.

23,403. You say that the work of the collector of Customs, and the collector of Inland Revenue, might have been amalgamated at the port of Swansea?—Yes.

23,404. I suppose that means that your time was not fully occupied with Inland Revenue work?—Certainly not in supervising my staff, and in taking cash; but you are obliged to have a collector there on the spot.

23,405. That I am not dealing with?—It really becomes a question as to the work which a collector should perform. If you have an official like a collector of Inland Revenue, or a collector of Customs, my own opinion is that you should employ him in controlling work; and that he should not do work, that could be perhaps done by a second or third class clerk, such as writing ordinary letters.

23,406. (*Chairman.*) That is to say that at a place like Swansea—take that as a type of that size of port—you want an official of a high position at 700*l.* or 800*l.* a year?—Not at such a high salary.

23,407. Or whatever the salary might be—600*l.*, or whatever it is. Do you say that the nature of the work which he has to do is such that he might with advantage control both the Customs and the Excise?—I do. If you will allow me to illustrate what I really mean with regard to the employment—because that is rather a vital point, and of course it extends much farther than Swansea—I mean that if you had placed me, when I was collector of Inland Revenue at Swansea, in control of both establishments, I could have transferred a lot of my work—that is to say, I could have supervised that work—told a clerk to do a lot of the correspondence which I did myself, and who perhaps would have been paid at the rate of 100*l.* a year, whereas you were paying me at the rate of from 400*l.* to 500*l.* a year for doing that particular class of work during the time I was employed on it. Of course that argument would apply distinctly, and must necessarily apply, to a place like Liverpool. Now, I have a great deal of correspondence; in fact, I must necessarily do all the correspondence with the Board myself. I have no doubt the collector of Customs would tell you that he does the same. If you extended his duties—you know he is not ubiquitous, he could not be in two places at once—he must transfer a lot of the inferior work to other hands, but he could supervise that; so far as the controlling work, the real purpose for which you require a superior official on the spot, he could do that.

23,408. (*Chairman.*) If an officer had risen from the Inland Revenue, and had come to be a head collector, would he be able to control those specially technical matters which are within the Customs duties?—Without going into the matter, and without having an opportunity of officially examining what the Customs really do, I could not give a decided opinion upon a point of that kind; but I divide the Customs work into two classes. Nearly all the charging work, the important work that they do—that is to say, the important work for the Revenue—seems to me to be on all fours with the Excise work.

23,409. (*Mr. Lawson.*) What work do you mean?—I mean, securing the duty. All our superior officers are very familiar with all the warehousing work. All of us have had very great experience in that; the moment we set our foot inside a warehouse we are able to control the whole of the staff, and we know whether the staff are doing their duty, or whether the duty is pro-

Mr. F. Norton.

21 Feb. 1889.

perly charged. The other part of the work, apart from the water-guard work, seems to me to be in a great measure clerical. I measure their duties by the pay which is assigned to their duties. The work which is not analogous to the Excise work is done by the outside staff in a great measure, and it is, I think, of an inferior character.

23,410. There will always have to be a water-guard service?—There must be a water-guard service.

23,411. But of course it is quite inferior to the rest of the work that is done by the Customs?—Yes. But the superior work, I think, is entirely on all fours; and that seems to me one reason possibly why amalgamation has not been carried further in the case of taxes. You see the Customs work and the Excise work would dovetail in; but the tax work is of a different description.

23,412. (*Chairman.*) I think you gave your opinion before that the Customs and the Excise were much more nearly related to each other than the Stamps and Taxes were to the Excise?—Yes.

23,413. And that whereas amalgamation had not proceeded so far as many people think in the former instance, still that is no reason why there should not be amalgamation in the present case?—There is one point which occurs to me which I may perhaps mention to the Commission in connexion with the question of amalgamation at the smaller ports, which I think is rather an important one. It is this: that we could not only amalgamate in the ports, where there are at the present time two revenue officers (that is, a Customs and an Inland Revenue officer or collector), but we could remove our Inland Revenue collectors into other ports where there are no Inland Revenue collectors at the present time. I think that might be done in the case of the collector at Canterbury. We have a collector at Canterbury, and Folkestone is in the Canterbury collection. Now, we really do not care where our collector is. The duty may be remitted to our collector just as well at Folkestone as it can be at Canterbury. In another case we have a collector at Stirling; we might remove him to Alloa, which is a Customs port, and likewise the collector at Bangor might be removed to Carnarvon.

23,414. You are naming other ports where there is a Customs collector now?—Yes.

23,415. And your view is, that you might, in the case of Folkestone and Canterbury, take your collector and let one collector at Folkestone do the whole business?—Yes.

23,416. (*Mr. Lawson.*) As I understand the case, you have now got in two towns, more or less adjacent to one another, heads of the two departments of revenue?—Yes.

23,417. And really one controller living in one of the two towns would do the work of both—the area is so small?—Yes, if you amalgamate the department, that is one of the first things we should do. We should remove several of the collectors in inland towns to ports.

23,418. (*Chairman.*) Would that be an equal convenience to the public. Would the public, do you think, feel at all prejudiced by the removing of the collector, say, from Canterbury to Folkestone?—I think not in the cases which I have quoted, because they are all small towns.

23,419. (*Mr. Cleghorn.*) You say remove the Inland Revenue collectors to ports; are there not already collectors at those ports?—There are, but they are not stationed there—their office is not there For instance, we have an officer surveying Folkestone, and no doubt we have an officer at Folkestone who is subordinate to the Collector at Canterbury.

23,420. It is a sort of sub-office, is it?—No, there is no sub-office there; but he is a charging officer. It is the business of the officer at Folkestone to secure the whole of the duty which is accruing there from brewers and from public-houses and other establishments.

23,421. Where does he pay his duties?—The beer duty is remitted to the collector at Canterbury. Public-house license duty is remitted to the collector at Canterbury. So far as all the establishment licenses are concerned, most of them are taken out at the post office there, or possibly there may be a Stamp Distributor.

23,422. Then, as I understand you, you would dispense with the services of one of those principal officers at either Canterbury or Folkestone?—Yes, it must be Canterbury if the amalgamation took place, because we must have a collector at Folkestone, Folkestone being a port.

23,423. Would you close the Canterbury establishment and remove it altogether to Folkestone?—We should remove it altogether to Folkestone, so far as the collector is concerned. There is a supervisor at Canterbury, and we must retain him there. We should merely remove the head—the controlling official.

23,424. How many would that include?—I suppose he would have three or four clerks at Canterbury.

23,425. (*Chairman.*) I do not quite understand why you should not do that now, without amalgamation. Why should you not do away with the collector at Canterbury altogether, and let a supervisor, or somebody of less importance than a collector, do the work?—I have not the data here to give the exact details; but, perhaps, if I explain the constitution of the Excise Department, I may make myself clearer. We have the whole of the United Kingdom divided out into stations, and over each station we place an officer; and that officer is responsible for securing the whole of the duty in that station. We then aggregate five or six stations into what we call a "district," and we place a supervisor over that district, whose business it is, in short, to see that the officer does his duty, by checking and examining his books, and making frequent visits after him. Then over a certain number of districts we have a collector. I do not remember how many districts there are in the Canterbury collection at this time; part of the territory within the Canterbury collection is at Canterbury of course, and part at Folkestone. We generally select the large towns for placing our collectors—placing them in the most convenient spot for the public; but if economy were to be effected by the amalgamation of the Customs and the Excise, I apprehend that in all those cases where a collector had a port in his collection where there was a collector of Customs, we should remove the seat of the Inland Revenue to that port.

23,426. (*Mr. Lawson.*) I suppose Canterbury is not a single instance; there are many more instances of small towns that you could give where the same consolidation might be effected?—I think I mentioned several. I have a memorandum of about seven cases which I could select. Possibly there might be more, because I merely hurriedly looked over the map.

23,427. (*Mr. Cleghorn.*) Have you come to anything like a conclusion in your own mind what (supposing that idea were carried out at those seven or ten or fourteen places) would be the annual saving?—I am afraid that I am scarcely in a position to answer that question, so far as Liverpool is concerned.

23,428. I do not ask you about Liverpool at present, but about those smaller places that you refer to. I understand your theory is, that you would dispense with one establishment, where there are now two, in certain districts. Assuming that is carried out throughout the country, so far as you are aware, what would be the probable saving on the whole?—I have not made a calculation of that kind, but I have no doubt whatever that there would be probably, by an arrangement of that kind, some 12,000*l.* or 14,000*l.* a year saved by that arrangement alone. The saving would not be limited to the collectors. I have no doubt that there are many small creeks where the Customs are obliged to maintain officials who could do the Excise work on the spot and in the immediate locality.

23,429. (*Mr. Lawson.*) Folkestone is not an important place as a port, is it?—No; it is not a very important place, but there are several officials there; you might send the Canterbury collector to Dover, perhaps, the more important port. In looking over the list, I found there were, in the Canterbury collection, two ports. I would not, of course, call them large ports, but the idea struck me that that might be done.

23,430. (*Mr. Cleghorn.*) Supposing that there was a revision carried out over the whole country upon the lines you have now indicated, do you think, so far as you have gone into the matter, that there would be a considerable saving annually in the shape of salaries. I mean, could fewer men do the business?—So far as the controlling power is concerned, I certainly think that fewer men could do the business particularly in the smaller ports. I want to guard myself particularly as regards Liverpool, because it is so exceptional.

23,431. I am confining myself to the smaller ports. If such an amalgamation as you suggest were carried out, you think there would be a considerable reduction in the number of the staff employed (I mean eventually) and that, of course, would imply a reduction in the annual amount paid by the State for conducting its business?—I would give a positive opinion so far as the controlling, the superior positions were concerned.

23,432. But would it not go below the controlling positions?—Giving an impression, and I use that word impression advisedly, giving that impression, I certainly think that there would be eventually a very great saving from the consolidation of the two departments.

23,433. (*Mr. Lawson.*) I understand that you think the clerical work might be, to a great degree, amalgamated in these places, do not you?—The clerical work might be.

23,434. The only thing that you stop short of is the out-door duties of Customs?—Yes, I have not sufficient knowledge. I have, I think, a fair knowledge, but not an official knowledge, and I am not positive with regard to that knowledge, so that I could not express an opinion upon it.

23,435. (*Chairman.*) Have you many difficult questions which cause you to correspond with the head office in London. Do you communicate direct with the Board?—I am in constant correspondence with the Board.

23,436. That correspondence is of a considerable quantity?—It is of a considerable quantity, and, in fact, all delicate points and difficult points come to me. The supervisors correspond direct with the Board, but all delicate and difficult correspondence comes to me.

23,437. And you have to judge what is to go on to the Board, and what you can deal with yourself?—Yes.

23,438. In the questions that arise you stop as much as you feel you can legitimately stop at Liverpool, without sending it on to the Board?—The principle which governs me, is never to trouble the Board if I can manage the matter myself.

23,439. Then, supposing you had thrown upon you to-morrow the Customs work at Liverpool, would not you have to send up a great deal to the Board in London of the Customs work in Liverpool that you could not stop?—I do not know what the traditions of the Customs are.

23,440. Assuming the work of the Customs to be not less intricate and not less troublesome and difficult than the work of the Inland Revenue, assuming that, for the sake of argument, do not you think it follows from that that if the controlling power of yourself as collector of Inland Revenue and that of the Customs were thrown into one person, a great deal more work would have to go up to London, and a great deal more of the correspondence to headquarters?—No, I do not think so, not with proper organisation.

23,441. Do you mean if you had a good assistant?—No. What I mean is, if you have a certain staff it is putting a round peg in a round hole. In organising an office there is always some difficulty in starting it; but having once started it, it is only the difficult points that are referred to you. Therefore the public do not trouble you. A great deal of my time is taken up in interviews with the public; but it is only when we are first starting a particular matter that that is so. I have had an instance of that recently at Liverpool. We have started during the last year a stamping department there, that is to say, we stamp documents. It gave me a great deal of trouble to start that, but now that is in good working order I have very little difficulty in controlling it. The principal concern I have now is to see that the whole of the cash passes into the Exchequer. A great deal of the correspondence I write myself now probably could not be written by the collector of a consolidated department; he would have to depute much of that to others; but the collector would be able to direct the lines upon which this correspondence should go. For instance, the correspondence can be very much economised, it seems to me, in some of the public offices, that is the controlling power of the correspondence, by means of shorthand writers.

23,442. Have you tried them much at Liverpool?—We do not use shorthand writers at all now. We have recently introduced that as a subject for examination for clerkships in collectors' offices.

23,443. In your own correspondence with the Board do you write all your letters yourself?—As a general rule.

23,444. You do not have a shorthand clerk to dictate to in the morning and sign them?—No, as a general rule I do all that myself. I am not aware that the Customs or the Inland Revenue do that. Of course there is a good deal in the training, possibly it is not everyone who could dictate the important official correspondence of that kind off. I am merely mentioning that as an instance by which you could very much expand the controlling and supervising power of a collector or controller, or whatever name you give him.

23,455. Going down in the rank, do you think that what you have said of the controlling power applies also to the supervising. Do you think that the supervisors of Inland Revenue have that sort of position in a place like Liverpool, that they could equally control Customs work as well as Inland Revenue?—I have no doubt whatever that our Excise supervisors, from their training, could very soon acquire a knowledge of the Customs work—that is the charging work. Of course most of them, and I daresay all of them, have had experience in similar work at warehouses.

23,446. The work of the supervisor is all of it, more or less, control, is it not?—No, he is also a check officer. He controls his officers, but he is a check official. He is constantly visiting the various manufactories and the warehouses, and checking the operation and the accounts taken by the officer for the purpose of seeing that the proper revenue is charged, and he also examines the books of the officers, and by his knowledge is able to see whether the officer is doing his duty.

23,447. Then, in your view, with reference to the possibility of the Customs work being taken over by your offices extending right down through the whole of your 70 officials—taking the number at 60 or 70 that you have control over—do you think that they could all take over Customs work?—Some of them, of course, are very young officials, and require training.

23,448. I mean in the nature of the work?—I think so, apart from the water-guard duties, upon which, I presume, you would never think of employing them. So far as charging duty upon imported dutiable goods is concerned, I think so.

23,449. And apart, of course, from the Surveyors of Taxes, on the other hand, which you tell us are almost entirely distinct from yourself?—Yes. I may say also that it has occurred to me that it would be a great advantage to the revenue, so far as smuggling is concerned, if there were an amalgamation of the two departments.

23,450. In what way do you think that would accrue?—I am referring now particularly to smuggled manufactured tobacco. There is no doubt that a good deal of petty smuggling takes place at the present time, and the revenue suffers a good deal by that. There is scarcely any concert between the two departments at the present time with regard to the suppression of that smuggling. Apart from the official documents passing between us, I hardly know that there is a Customs establishment in Liverpool, and I daresay the same remark would apply to the Collector of Customs. As a general rule, the smuggled tobacco is conveyed to the inland towns. Supposing that there were an amalgamated department, and the chief of that department was informed by some of his subordinates that there was probably some concealed tobacco at some inland town, he would have a greater opportunity of following up that clue, because we have our officers spread all over the country, whereas the Customs officers are confined to the ports.

23,451. (*Mr. Fowler.*) Do you mean by that that your detective power would be greater?—What I mean is that the detecting power of a consolidated department would be very much expanded. I am not in any way stating that the Customs are in any way inefficient.

23,452. No, I do not mean that, I think you misunderstand me. What I mean is this: Suppose in Liverpool the Customs have information that there was smuggled tobacco supposed to be in Birmingham, I understand your argument to be that you would have better opportunity of detecting that through the Excise agency in Birmingham than the Customs would have, they having no corresponding agency in Birmingham?—Yes; but I hardly meant as big a case as that.

Mr. F. Norton.

21 Feb. 1889.

23,453. I was going to say would it not be the police in both cases, whatever the case is?—I hardly think so.

23,454. Supposing that you had information, say from the Customs or Excise, that there was reason to believe that there were smuggled goods in any large towns, would you not at once apply to the police. You would have no authority and no power, would you?—Do you mean as an Excise official?

23,455. Yes?—Perhaps I am hardly making myself quite clear.

23,456. Kindly explain the matter?—My impression is, that if the Customs were here, they would not deny that there is a very great deal of petty smuggling taking place in manufactured tobacco, which is conveyed ashore by the men, it being almost an impossibility to discover it by rummaging on some of the very large American liners, the men taking it ashore in small quantities. They would, perhaps, convey some 40 or 50 lbs. of it, we will say, to Manchester, or it may be, to Blackburn or some other inland town. The Customs authorities at Liverpool might not have exact information where this was, but they would know, for instance, that a man from Manchester had been in communication with one of these stokers, and there was reason to believe that he had conveyed some tobacco away. If that came to our knowledge, we should at once, provided it were a consolidated department, communicate with our officers there, who would probably find out this man's address, and work up the case. The Customs, having no officials on the spot, could hardly do that. Most of these detections, unless they are very big ones, require a great deal of working up, and you can only do that by men on the spot.

23,457. (*Mr. Cleghorn.*) Would not it be the duty, think you, of the Custom House officer who has those suspicions you refer to, to communicate them to the other department of the State, and so protect the revenue. Do you think that the fact that there is a Custom House Department and an Inland Revenue Department, operates against the due collection of the revenue. Would not an officer of the State in the Customs consider it to be his duty, if he had any cause of suspicion of smuggling, to intimate that to the other department of the State, the Inland Revenue?—It might be, but we do not find cases of that kind occur in practice.

23,458. (*Mr. Lawson.*) The truth is that the working is not so harmonious as to allow of it?—There is no friction at Liverpool.

23,459. I do not say that there is friction; but there is not the unity of feeling which makes that possible; is that not so?—I do not suppose that they would call in our assistance in a case of that kind.

23,460. You say in practice it is not done, then why is it not done? What would you say is the reason?—They have really no official knowledge of officials there. They do not know to whom to apply.

23,461. Do you mean to say that the Inland Revenue official at Liverpool would not know to what official of the Customs to apply to, supposing that he wished to communicate information or *vice versâ*?—The probability is you see that in a particular case of that kind our officers would not have power at the present time to interfere. Supposing the Collector of Customs wrote to the collector at Manchester on a point of that kind, I do not think that we should have power to seize this tobacco. We might have a difficulty with regard to that, but under an amalgamated Board the Revenue official of course would have the powers of the Inland Revenue and the powers of the Customs.

23,462. (*Mr. Cleghorn.*) An order from head quarters would put that right, would not it?—Possibly it would.

23,463. (*Mr. Lawson.*) You said that in Liverpool there were 600 officers of the Custom House. I should like to know whether from what you hear from common knowledge you consider the time of those officers is fully taken up?—My opinion is that it is.

23,464. Do you consider that the time of your own officers is fully taken up?—I am quite sure it is.

23,465. From the highest to the lowest?—Yes, they are all fully employed now—fully.

23,466. Then do you contemplate that the main reduction, outside London, in the case of amalgamation, would be at the small ports, not the large?—Not perhaps in such a place as Liverpool. I stated just now that my impression was that there would be a saving of from 12,000*l.* to 14,000*l.*; of course that would extend also to a place like Liverpool, and to Dublin and Glasgow, and Belfast, because you would really get rid of one of your collectors there.

23,467. I understand that; but I am rather looking to your own experience, which extends to small ports; from your official work at Swansea, perhaps you would not call Swansea a small port, but still there you found that by amalgamation a good deal would be saved both in the higher and in the lower branches; is that not so?—I do not think I expressed an opinion with regard to the lower branches (because I have not a knowledge of them), except that there would have been a saving in the consolidation of the accounts. There must necessarily be.

23,468. In the case of warehousing, the lower officers who carry out the work appertaining to that duty would be able, you think, in some cases to do a double share; is that so. I am talking of Swansea?—I think the officers, so far as the Excise staff is concerned, are fully employed. I cannot say with regard to the Customs.

23,469. You know in the warehousing there is a great deal of duty common to both departments?—Yes.

23,470. Do you think an economy might be made in that particular branch in a port of the type of Swansea?—In Swansea we really do no warehousing.

23,471. Do you mean there was no warehouse of the Inland Revenue at Swansea?—Yes.

23,472. Therefore, you had no warehousing officers?—No.

23,473. In one of the returns handed in to us there are enumerated 16 towns in England and Wales, where there is a double establishment. I presume the gist of your evidence is, that in many places where there are not in the same town two establishments, still in two or more towns in a small area there are different establishments which comes to very much the same thing as if they were in one town?—Yes.

23,474. And in that case, as in the cases where there are two establishments in one town, a considerable economy might be effected, in your opinion, by amalgamation?—Yes.

23,475. (*Sir Charles Lewis.*) Does it so happen that you ever had any communications from persons dealing with your branch of the Revenue Department upon the subject of the amalgamation. Have you ever heard the subject discussed by traders or others?—I have heard some of them, but only in a very slight degree.

23,476. Nothing to enable you to form any opinion as to what the trade generally would think of it?—No. In Liverpool, nearly all the warehouses are in the hands of the Customs, so that questions of that kind would hardly be discussed with me.

23,477. Are you able to say what would be thought by the trades that have business with your department—are you in a position to say what they think generally?—No; but I imagine that there would be a difference of opinion.

23,478. (*Mr. Cleghorn.*) Then I understand there has been nothing like any popular feeling on the subject of amalgamation?—No; the public has been really quiescent there. When the matter has cropped up it has been received more with a laugh than anything else. Of course, under the present system, we are rather troubled at times by the important traders coming to us, and stating that they can get more facilities from the Customs than they can get from us, and I have no doubt they go to the Customs and say that they get more facilities from us than they get from them.

23,479. So that one will neutralise the other?—Yes. There can be no doubt that, if we had an amalgamated department, by having one system of inspection, greater uniformity would be ensured throughout the country, and, of course, there must necessarily be a saving of expense in that instance.

23,480. In the earlier part of your evidence you alluded to the traders in the case of exporting beer having to go first to one department and then to another, and then back again to get the drawback. Have you had any complaints from traders on that subject?—No, I have not had complaints.

23,481. You have never heard a complaint about traders having to go to the two Departments to get that business done?—No.

23,482. I do not wish to put a personal question, but do you think that the gentleman who discharges the office of collector at Liverpool for the Inland Revenue could combine with that the office of collector of Customs without any difficulty. I do not wish to put it to you individually, but could one collector do at Liverpool for both Departments?—My impression is that he could.

23,483. Without any difficulty?—Without any difficulty, of course after a time.

23,484. Do you think that that would work?—I certainly think it would work, but of course you must select the proper man for a position of that kind; because it would be the most delicate one outside London.

23,485. (*Chairman.*) Is there any other point that you would wish to refer to; if so, we should be glad to hear it?—Office rent is a matter upon which there would be a considerable saving. The vacation of offices is rather an important point in considering the question of amalgamation, as offices are rather expensive.

23,486. In Liverpool would there be a concentration of office work?—I imagine there would be a considerable concentration of office work there. Our offices belong to the Crown, and we occupy them jointly with the officials of the county court, probate court, and other offices. We are not at the Custom House. We are away from it.

23,487. (*Mr. Cleghorn.*) Then you do not pay any rent?—We pay no rent. The offices belong to the Crown.

23,488. Does the Custom House pay any rent?—I do not know how that is. I should think not. I should fancy they are in a Crown building, but I am not positive with regard to that.

23,489. Any saving under that head would be from letting or selling one of those offices that you suppose would be then not required?—Yes, I am speaking generally with regard to offices throughout the country.

The witness withdrew.

Mr. Thomas Walker Clarke called and examined.

23,490. (*Chairman.*) You are the Collector of Customs at Liverpool, I believe?—I am.

23,491. We should like to have a general idea, in the first place, of the staff that you have under you?—Five hundred and eighty-seven established officers, that is excluding copyists and glutmen.

23,492. (*Mr. Lawson.*) It includes boatmen, I suppose?—It includes boatmen, out-door officers, examining officers, surveyors, and clerks.

23,493. (*Chairman.*) You have between 30 and 40 clerks, I believe?—I think 39. That is the list of the staff as it stands.

	Officers.	Glut.
Landing duties - - -	181	155
Waterguard - - -	160	66
Warehousing - - -	104	2
Clerical warehouses - -	93	6
		Copyists.
Indoor - - - -	49	35
	587	35 + 229

23,494. (*Chairman.*) I see that 181 established officers, and 155 glut officers are employed on landing duties; 160 established officers and 66 glut officers on the waterguard service; 104 established officers and two glut officers on the warehousing; and that also in connexion with the warehousing duties you have 93 clerks and six glut men?—Yes, that is so, but the clerical duties in connexion with the warehousing department are performed by examining officers and out-door officers, not by clerks.

23,495. Then I see you have 49 established officers, and 35 copyists for the in-door establishment?—Yes, that is my in-door establishment—the in-door Head Office establishment of established officers, clerks, and copyists.

23,496. Altogether you have the large number of 851 men employed in Liverpool?—At present, but the numbers of glut men vary from time to time.

23,497. I should now like to ask you about the size of your district; to what extent do you go north and south of the Port of Liverpool proper?—To Fleetwood and Preston in one direction, and Runcorn and Chester in the other direction. The Port of Chester goes down to Mostyn. Those are the Member ports.

23,498. Then your district is not conterminous with that of the Inland Revenue?—No, the district is a wide one.

23,499. With reference to your own special duties, I suppose you are responsible for the *personnel* of the service, and that you control all the service?—Yes. All matters are referred to me.

23,500. And you deal with all matters?—All that I can deal with.

23,501. And you send on others to the Board in London?—Yes.

23,502. Are there many such matters that you send on to the Board in London?—Yes, a large number.

23,503. Are they difficult matters?—Yes.

23,504. What has been your official training. Where did you commence life in the Customs?—At Preston, in 1845. I have been 44 years in the service. I commenced at Preston, as clerk and landing-waiter; then I was at Wigtown as controller and searcher; afterwards at Guernsey and Jersey as controller and searcher; then at Boston, Lincolnshire, as collector and surveyor; then at Lynn as collector and surveyor; then at Folkestone as collector; at Dover as collector; at Southampton as collector; at Bristol as collector, and then at Liverpool.

23,505. So that you have been pretty well round the coast?—I have been round the coast. I have had a long service.

23,506. How long have you been at Liverpool?—Since October 1886.

23,507. As you are aware, the Commission is now considering the suggested amalgamation of the two departments?—Yes.

23,508. I will ask you generally what is your opinion with reference to the proposed amalgamation from the point of view of public economy and efficiency?—In my own view, having reference to the interests of the public, the services should be kept separate; that is my opinion.

23,509. Will you give us your reason?—I think that the Customs service is as large a service as can be worked efficiently and economically.

23,510. When you say that, do you refer to Liverpool only and specially, or do you refer to your general observation and experience?—Liverpool especially, it being a very large place, but my experience generally also.

23,511. I can quite understand that what applies to Liverpool might not apply with reference to the *personnel* in some of the small ports; for instance, it has been suggested to us that in certain small places—I do not know whether I might call them creeks—where you have a Customs officer who must necessarily be there to perform the duties of checking the import of goods, it is quite conceivable that he and those under him, if he has anybody under him, might do some of the Inland Revenue work to fill up the time?—I do not think he could. I think that so far as he was taken from his Customs duty he would become less efficient for that without being more efficient for revenue purposes.

23,512. Upon the question of time alone it has been suggested to us that it being obviously necessary that some Customs officer should be, as it were, water-guard to the coast, he really might do something else besides merely watching, and that, therefore, there would be

Mr. T. W. Clarke.

21 Feb. 1889.

an economy by his taking up the Inland Revenue business. Do you think there is anything in that?—I think not I think the reduction has been carried so far, that the staff is now barely sufficient to carry out the work. They are not Customs duties proper at these small places. They are rather Board of Trade work.

23,513. Apart from the Board of Trade work, which we of course know about, do you think it is wrong to say that there are Customs officers in places who really have not enough to do?—I would not like to say that there are, after the reduction of 1883. I was on the Committee that sat then, and we made very strong reductions wherever we could; in fact, we carried reduction to the extreme, at least that was my impression.

23,514 It has been suggested to us that there may be many ports where the collector occupying the position that you do, might devolve some of his duties upon others; that a good deal of his time is taken up or might be taken up with subordinate work, and that an advantage to the public and to the Government might be obtained by giving him the control of both the Customs and the Inland Revenue and that he could quite well do the work of both?—It depends what you mean by control. If "control" implies that he should have a knowledge of the two services to exercise an effective supervision of the officers and the duties, I do not think he could do that. If it is simply a matter of receiving revenue or anything analogous to such duties, it might be done, but I do not think you could give him that position if he must have a knowledge of the Inland Revenue duties.

23,515. I understand, and I think the Commission generally understand, that the position of collector at the Customs or the Inland Revenue at Liverpool is that of a man who is expected thoroughly to understand the whole of the duties of his subordinates from top to bottom?—Yes.

23,516. Otherwise he is not able to control and see that the administration is sufficient?—Yes; and I may say that as regards Liverpool, that would take the whole of the time of any man you would appoint; I have never worked so hard in my life as the two years I have been there.

23,517. I do not want you to speak personally of yourself, but take the ideal collector of Customs at Liverpool. Do you think that a man in that position would be able to take over the whole of the Inland Revenue work. It is not a question of salary, but it is a question of the efficient performance of duty by one man, very likely coupled with the delegation of certain work which is now done by yourself, and which you might give to a man of inferior position—do you think that one collector, one high Revenue officer in Liverpool, could with satisfaction to the public and his duty to the Revenue, conduct the amalgamated business of the two departments?—I do not think he could at Liverpool. The whole of my time is spent in directing; is taken up as a superintending officer. All questions come to me, and I do not know how you could delegate those questions to anybody but myself. I think you must have a head there to deal with questions arising out of the business of the port. In the year 1887 the value of the goods imported at Liverpool was 92,490,112*l.*, and the value of the exports was 102,483,344*l.*, the values of the imports and exports for the whole kingdom being respectively 362,227,564*l.* and 280,763,161*l.*, so that in the management of the seaborne trade of Liverpool we are concerned with a trade which represents a little more than one-fourth of the imports and a little less than two-fifths of the exports of the whole kingdom.

23,518. Is the whole of your official time generally taken up with work which requires special knowledge of the Customs duties?—The fullest knowledge the whole day.

23,519. Therefore from your experience you would not think it desirable that there should be cast upon you the Inland Revenue work besides?—No; I could not do both.

23,520. I take it generally, your experience in the places where you have served leads you to the same conclusion?—Yes.

23,521. Have you heard this question much discussed among the commercial gentlemen in Liverpool?—Not very much, but more or less I have heard it.

23,522. Have you had any complaints or any representations made to you upon it?—No; those that I have heard an opinion from, have said, "leave things as they are."

23,523. Traders are pretty well content generally?—Yes, those I have spoken to are.

23,524. You have the whole warehousing system at Liverpool entirely in the hands of the Customs, have you not?—With two exceptions; there are two rather outlying stations.

23,525. Practically the whole of the bonded warehouses of Liverpool are in the hands of the Customs?—Yes, 113 out of 115.

23,526. What work do you do at Liverpool for the Inland Revenue; do you collect much money for the Inland Revenue work proper?—About 500,000*l.* on British spirits; to be exact, the duty collected was in 1888, 477,799*l.*

22,527. Are you in the course of your official life brought into contact with Inland Revenue officers?—Not myself, but the other officers are. Of course I know the collector, but not necessarily in business matters. The office will know him for drawbacks and those things. We are more or less in contact with the Inland Revenue officials, but not very much.

23,528. Are you able to say what is the relative pay and position for corresponding duties between the two services at Liverpool?—There is this difference: there is a large number of officers in the Customs with smaller salaries than in the Inland Revenue.

23,529. Are you speaking principally of the water-guard?—Of out-door officers and boatmen?

23,530. (*Mr. Lawson.*) Out-door officers generally?—Yes.

23,531. (*Chairman.*) Leave those out of the question; under any scheme of amalgamation, the out-door officers of the Customs would require to be a separate branch, at all events, in the Revenue Department?—You must leave those out and leave out the boatmen also.

23,532. The idea of amalgamation is that to some extent beginning from the top, the controlling officers might be amalgamated?—I think as regards merely the receipt of revenue, there is no difficulty about that; it is the management of the business of the port where the difficulty comes in; the port duties generally, and not the receipt of revenue, which is a very simple matter.

23,533. (*Mr. Cleghorn.*) You mean not the mere receipt of cash?—The receipt of cash is very simple; there is no difficulty in that; the difficulty comes in when you manage the merchants' business, the control of the merchants' business, the shipping business of Liverpool.

23,534. (*Chairman.*) Do you think that there is any prejudice to the revenue caused by the Inland Revenue and the Customs having two different boards?—No, I have no reason to think that.

23,535. Do you think there is any foundation for the suggestion that has been made that possibly there is some want of an efficient check upon the smuggling of tobacco owing to the fact that the tobacco which goes inland is not followed sufficiently by the Customs?—In some cases the Inland Revenue officers have the power of searching publicans' premises in the ordinary course of their duty. We should not have that power, and we should not do it unless we had reason to suspect there was tobacco concealed there. In one or two instances rather a noted Inland Revenue officer has been sent down to Liverpool, and has searched publicans' premises, and some small seizures of tobacco were made; that is all I know of.

23,536. From your experience as the principal collector, I suppose I may call you the principal collector in the provinces, out of London?—Yes.

23,537. The principal collector is, in fact, in some respects more important than the Collector of the Port of London. From your experience do you think that there would be any advantage, as has been alleged, to the revenue from an amalgamation of the departments?—I do not see it at all.

23,538. From the detective point of view, if I may say so?—No. I depend upon the water-guard service for that.

23,539. (*Mr. Lawson.*) Where does your water-guard service begin?—On the arrival of the vessel.

23,540. I mean in respect of officers; whom do you include in the water-guard service in the list that you have given in?—You would include surveyors, examining officers, assistant examining officers, and boatmen, that is the most effective check we have. The duty is very well done, and that is a very effective check. We are quite breaking the neck of all the small cases. I think the day for large smuggling is past, and that it is not done; but there is a great amount of petty smuggling still, which we are checking all we can, and we are practically breaking the neck of it.

25,541. (*Chairman.*) But you would not agree with any statement which said that owing to the want of communication between the two departments it is possible that there is still some small smuggling going on which ought to be stopped?—There is no want of communication, so far as I know. I should act most cordially with them in every respect, and in those instances where the Inland Revenue officer came from London I sent one of my best officers with him to co-operate with him, and he went over to Blackburn with him.

23,542. Is there in Liverpool generally a thorough accord between the Inland Revenue Office and your own with regard to your work?—So far as I know, entirely. I should be very sorry if it were otherwise.

23,543. Have you ever received any complaints from traders about that?—Never a word.

23,544. Upon the special point of the export of, we will say, British made spirits, we have been told by one or two witnesses that certain difficulties were caused to the trader by having to bring certain papers before two sets of officers, and that it would be a convenience to the trader to be able to deal with one set of officers as representing the revenue of the country, both for export and for Excise purposes. Do you see your way to any improvement in the present state of things, short of amalgamation, or do you think that amalgamation would help in that way?—The British spirits exported in Liverpool usually go from Customs warehouses, and there is only one set of officers there. If British spirits are exported from an Excise warehouse, at Liverpool or elsewhere, a despatch and permit with particulars of the goods, and the ship, and place of exportation, are prepared by the Inland Revenue officer at the warehouse of deposit, and sent to the Customs officers, who certify thereon the shipment, and the papers are returned to the Inland Revenue officer.

23,545. The point is this, that a merchant desiring to export British spirits will have to deal, in the first instance, with the Inland Revenue officers, and then with the Customs officers?—Not for the export from Customs warehouses, as in that case he would take them from the Customs warehouses.

23,546. Is that altogether remedied now?—Yes, if they are in the Customs warehouse they are dealt with as brandy or anything else.

23,547. They are in the Customs warehouses?—Yes, and dealt with by Customs officers.

23,548. Still, would he not present a paper or documents, first to one set of officers and then to another?—None whatever. I am speaking of goods warehoused for export; to export on drawback there would be the Excise notice of entry for drawback and the Customs certificate of shipment.

23,549. How would that be. Is it the fact that there is a double set of officers which causes unnecessary delay?—They would be exported from the Customs warehouse if warehoused for export.

23,550. But supposing they were exports from an Inland warehouse in the country, and not bonded at Liverpool?—They would have to come to the Liverpool Customs people for shipment.

23,551. But they would come straight from the Inland Revenue warehouse in the country to the Customs authorities at Liverpool, would not they?—Yes, for shipment.

23,552. Do you see anyway of simplifying that?—No, you must have shipping officers.

23,553. I am asking you for information. I do not want to lead you in any way. Supposing there was this contemplated amalgamation of the two departments, do you see how matters could be simplified?—You cannot lessen the work. You must have a shipping officer. Call him what you like, there must be an officer to see to the shipping of the goods. When beer, for instance, is exported on drawback they have to deal with both parties. We ship the goods, and the Inland Revenue pay the drawback, that is all. With beer exported on drawback they would make an entry with the Inland Revenue officer and bring it to us, and we should send it to the dock, and the shipment is certified, then the Inland Revenue officers get the paper again, and make out their debenture and pay the drawback. We are only the shipping officers, and there must be a shipping officer.

23,554. Are there instances in which you see any cases of duplication of work generally between your officers and the Inland Revenue officers?—No, none whatever.

23,555. In no case. With regard to warehousing, for instance?—We deal with our own warehouses.

23,556. On the assumption that goods have to be dealt with on behalf of the trader in a certain way, and have to be watched for Government purposes, is there any respect in which in Liverpool those goods have to be dealt with by two different sets of officers by any transaction which may be called a duplicate one?—No they are all dealt with in Customs warehouses as Customs goods.

23,557. In reference to goods which are the subject either of the Inland Revenue or of the Customs in Liverpool, do you think that there is work of a duplicate character which might be done away with?—I do not know of any.

23,558. I understand you to be unfavourable to the suggested amalgamation?—Yes.

23,559. But supposing the decision should be come to, to amalgamate the departments to some extent, would you see your way to any reduction of your staff, or of the general staff of the two departments; can you conceive the way of doing it in Liverpool?—If the business remains as at present?

23,560. I am assuming that of course?—No reduction is practicable. Of course if the Inland Revenue take over all the warehouses——

23,561. I do not want you to consider at the present moment whether it is Inland Revenue or Customs?—I mean to say if the work is left as at present, the present staff would be required; if you transfer the work or change the work you transfer the requirements of the staff, that is all. I think the Inland Revenue service is more expensively carried on than ours as far as the warehousing goes, and that is the only point on which we seem to be brought in contact.

23,562. (*Mr. Lawson.*) May I ask why and how?—The Inland Revenue officers are a higher paid set of officers, and I think a greater number of officers on their system would be required to do the same work that we do with fewer officers.

23,563. (*Chairman.*) Do you say that from familiarity with the warehouses of the Inland Revenue?—This is one reason: When I was in Bristol we took over from the Inland Revenue three warehouses; one of them ceased immediately afterwards. Of the two remaining warehouses, at one there was always one Inland Revenue officer, at the other there were always two, and often three; that would be three officers, and occasionally four. We took those duties and those warehouses without appointing any additional officer. We grouped them with other warehouses about, and we have carried on that work without any additional officer.

23,564. When was that?—That was in 1882-83.

23,565. That was part of the general system, which was carried on sometimes in the other direction, of the amalgamation of warehouses. I mean to say sometimes it was an amalgamation of the Customs with the Inland Revenue, or rather the Inland Revenue might quote it in their favour, might they not?—I mean only that they required three officers to do certain work which we did without any additional officers.

23,566. (*Mr. Lawson.*) Might not that be used as an argument in favour of the supposition that the time of your officers is not fully taken up, and that, therefore, they can take additional work without adding to their number?—We grouped those warehouses with others, and managed to work them without special officers.

23,567. I should like a plain answer to that. If the time of your officers was fully taken up, how was it that they were able to do this additional duty and yet any increase was obviated?—We grouped them. Very

Mr. T. W. Clarke.

21 Feb. 1889.

possibly we might have additional glutmen; but we got the work done without additional examining officers.

23,568. Then their time cannot have been fully taken up before?—It was not fully taken up in that sense.

23,569. (*Chairman.*) From the point of view of warehouses, and confining your attention to warehouses, is that not an argument in favour of consolidation?—I do not think it is.

23,570. You successfully consolidated certain warehouses, at all events?—Yes, and did it at less expense than before; and, so far as I know of other warehouses, they work them more expensively.

23,571. (*Mr. Fowler.*) Supposing all the warehouses in Liverpool were put under the control of the Customs?—They are all, excepting one, and a small one.

23,572. Suppose that one was put under the control of the Customs?—That is out of the way, and could not be done without expense. It was given to the Inland Revenue on that account. It is out of our district. It was rather far away. We could not group it with any other warehouse; and if we had had that warehouse we should have employed special officers.

23,573. (*Mr. Cleghorn.*) So that there was nothing gained by that?—There was nothing gained by that. It was gone into fairly, and it was thought, in the interests of the public, that it was better that they should take it.

23,574. (*Mr. Lawson.*) But your general experience is that in the amalgamation of the warehousing there is a saving?—I will not say that.

23,575. But in the example you have quoted?—In the particular instance, having a great number of warehouses all round; the three—the two, it became—we were able to work those two in the groups.

23,576. I want to understand this: In a small port where there were double warehouses they would be close together in all probability; is not that so?—By "double warehouses" do you mean Excise and Customs?

23,577. Inland Revenue and Customs?—I think there are no ports of that class now.

23,578. I do not say small ports; but take Swansea, there are two there; your answer is that you do not think there are any at small ports?—No, I do not think so. I think that is fairly worked out. We have carried that out as far as we could.

23,579. (*Mr. Fowler.*) Do you consider that the time of the staff at Liverpool is fully occupied?—As fully as can be.

23,580. What hours a day do they work?—From 8 to 4 in summer, and 9 to 4 in winter.

23,581. Is that both the indoor and outdoor staff?—Those are the outdoor hours. The indoor hours are seven hours, 9 to 4.

23,582. And the staff is not in excess you think of the requirements?—No; I think not. Every month we are doing all we can; where we can possibly make a reduction we do so, continually.

23,583. You say that the collection of money is not that portion of your duty which involves the greatest anxiety and requires the greatest attention?—No; there is the responsibility, but it is a simple process.

23,584. The great work that the Customs has to do in Liverpool is the water-guard, is it not?—That is the water-guard duties; but then there are the landing duties. The imports of Liverpool are to a very large extent free goods, and it is the examination of those goods that forms a large part of the landing duties.

23,585. That is the great bulk of the goods imported into Liverpool are duty free, but you have to examine them in order to see that they do not contain duty chargeable goods?—Yes; and that is the most difficult part of the work.

23,586. Have you any other duties to discharge at Liverpool with reference to precautions, say sanitary, precautions, under the Privy Council?—On the first arrival there is a quarantine examination, and an examination to see whether there is any infectious disease, that is the first thing.

23,587. That applies to cattle?—I am speaking of ships.

23,588. For passengers?—For passengers and crew. There are quarantine and health restrictions.

23,589. And that has to be done to every ship?—To every ship that comes.

23,590. Have you a special staff for that?—That is done by the water-guard staff and the quarantine staff.

23,591. And they are fully occupied?—They are fully occupied, and have very long hours, indeed.

23,592. How many warehouses have you in Liverpool?—One hundred and thirteen.

23,593. All under the control of the Custom House?—All under the control of the Custom House.

23,594. And one not under the control of the Customs?—One, and a small one under the Inland Revenue.

23,595. (*Mr. Lawson.*) You gave the figures 113 out of 115 as being under your control?—Yes.

23,596. (*Mr. Fowler.*) Have the merchants of Liverpool or the shipowners made any complaint as to the mode in which the Customs business has been done?—Never to myself. I do not know of any complaint whatever.

23,597. You think there is a general public satisfaction with the mode in which you discharge your duties?—I believe that quite.

23,598. And there has been no complaint made to you to the effect that they can get their business better done by the Excise than by you?—I have not heard that, but I have heard the contrary.

23,599. I suppose they sometimes go to one and say one thing, and sometimes go to the other and say the other thing?—That is quite possible.

23,600. How many years have you been in the service?—Forty-four.

23,601. Looking over your varied experience for the 44 years, you do not think that there would be any financial saving if the two departments were consolidated?—I think the reverse. I think it would be more costly.

23,602. Why?—I think the service would be too large to be worked economically; that you would not have the same control as you have at present.

23,603. Let us take Liverpool. There is a collector of Excise there and a collector of Customs?—Yes.

23,604. You have 587 permanent officers under you?—Yes.

23,605. There are about 90 in the Inland Revenue at Liverpool. If you could manage 500, you could manage 90 more, could not you?—It depends upon what I have to do with them. If I had to supervise the work done by the 90 people, and required a knowledge of all their duties, as I ought to have, I could not do that.

23,606. (*Mr. Lawson.*) You could not?—No, I could not. It would require me to be an Excise officer, to have a knowledge of all their work, or to check their work.

23,607. (*Mr. Fowler.*) You say there is no similarity between the Excise and the Customs?—Except as far as warehousing is concerned.

23,608. As far as warehousing, and the collection of money are concerned?—Yes.

23,609. Let us take, for instance, the duties that an exciseman has to discharge at the breweries?—We have nothing like those.

23,610. And you have no staff competent to do that?—Not competent at present.

23,611. I mean at present?—No.

23,612. Do you think that the Excise staff, just putting warehouses out of question, is competent to discharge the duties of the Customs?—No, certainly not, as at present.

23,613. I am taking both as at present. Then you think that if the two departments were amalgamated to-morrow the officers would have still to be kept distinct?—You could bring them together, if you liked,

by transferring them,—by requiring Customs officers to learn Inland Revenue duties.

23,614. I am not saying what you could do in the future. I am taking the men as they stand?—They would be no use to-day.

23,615. The Custom House officers could not do Excise duties, and the Excise officers could not do Customs duties?—No; putting warehousing aside.

23,616. In all my examination I am leaving out the warehousing altogether; but for ordinary Customs work you do not think the examiner could do it without training; and you also say as a practical Custom House officer that the excisemen could not do your work without special training?—No.

23,617. Each department wants special training?—Certainly. I speak for the Customs,—certainly, a good full training.

23,618. Have you had anything to do with the Coastguard?—At those ports that I have been connected with, yes. We do not get much out of them. They are not really Revenue officers now; they are rather trainers for the Navy.

23,619. Do not they protect the coast in the case of smuggling?—Not very much.

23,620. What does protect. What protects a ship running into some little creek along the coast of Lancashire?—The difficulty of getting quit of the goods. I do not think the difficulty of landing would stop it.

23,621. You do not think there is much difficulty in landing?—I do not think that would stop it if you could get quit of the goods.

23,622. Now what is the difficulty of getting quit of the goods?—Persons do not like to deal with them. The day is past for that. We have had a great deal to do with that on the east coast. It is past these 20 years. You do not have wholesale smuggling now. By wholesale smuggling I mean cases in which a ship's cargo consists of goods for smuggling.

23,623. Supposing a man had to run a cargo—we will say of tobacco—on to the east coast, what difficulty would he have in getting it away by train if he carted it up to a station?—I do not think he could do it. It has to go through so many hands. So many parties are privy to it.

23,624. Supposing it was packed, we will say as china, and sent up to some dealer in china?—You may do it partially that way. We had a case of that kind some time ago packed in bales of cotton. They came to Liverpool. It was detected in landing. We watched the goods to London, and we seized them in London.

23,625. Tobacco in cotton?—In bales of cotton; and we seized the whole of it. It is difficult to deal with, but smuggling is done in small quantities practically.

23,626. Putting smuggling on one side, I mean the actual detection of smuggling. Your duties are chiefly the water-guard duties?—That is for smuggling.

23,627. I know; but that also applies to other considerations beside revenue, does not it?—Yes. It applies to quarantine, health, and cattle, and so forth.

23,628. And you have sometimes to perform duties, have not you, for the Government generally?—Yes.

23,629. You are a department upon which certain duties are devolved?—They send anything to us.

23,630. (*Mr. Lawson.*) I want to follow up the question that has been put to you with regard to the consolidation of staff. When you gave your opinion that none could be effected were you not thinking of the out-door service? Do not you think it possible that in the large clerical establishment you have at Liverpool there might be some consolidation?—I think they are all very fully employed indeed. It is a very small staff that we have.

23,631. You have got 36 clerks of the first and second class, you have 36 copyists, boys and others, besides the principal officers?—Yes; but that is not for collecting the revenue alone.

23,632. What are they employed in, Board of Trade work?—A large number would be for free goods. There is the bill of entry. Approximately, the indoor staff is employed as follows:—

——	Clerks.	Copyists.
Collecting revenue	3	2
Pay office seat	2	1
Ships' registry	2	—
Ships' reports seat	1	1
Collection of lights	3	—
Bond office	2	—
Exports seat	3	3
Manifests, specification, jerquing	10	11
Free goods seat	1	1
Queen's warehouse and seizures	2	—
Inspector's clerk	1	—
Wreck office clerk	1	—
Office surveyor	—	3
Check office	1	—
Bill of entry	4	10
Correspondence room	1	1
Vacancies	—	2
	37	35

23,633. I am only asking you whether you do not think that, in the case of amalgamation there might be some saving in the clerical staff?—No, I do not think there can be.

23,634. You say that there has been a very great decrease of smuggling in the last 20 years?—Yes; the type has changed from the wholesale smuggling; that has passed.

23,635. Has that enabled you to make any reduction in your staff of out-door officers of the water-guard?—No; you must keep the staff up.

23,636. Though the smuggling has become obsolete?—But you would soon have it back again. You would be surprised if you knew the great amount of petty smuggling in goods imported. It is only by the constant check of examination and elaborate plans that we can keep it down at all.

23,637. Do you know of any difference in tests between yourself and the Inland Revenue at Liverpool for testing spirit or gauging spirit, or whatever the term is?—We all test on the same principle.

23,638. In some cases we have heard that the test is not the same?—The test is the same.

23,639. Exactly the same method?—Yes, as far as testing goes; but the Inland Revenue begin with the empty cask, and therefore the gauging is different from our own. We begin with the full cask; but when we can begin with an empty cask, as in drawing off the contents of a vat, our practice is precisely the same as that followed by the Inland Revenue Offices.

23,640. But the test is not more efficacious in one case than in the other?—No, I think not.

23,641. It is not more stringent?—No, I think not.

23,642. Do not you think that Liverpool is a special and exceptional case?—As to what?

23,643. From the fact that there is such an immensely larger Customs staff than there is of the Inland Revenue?—Then look at the different duties that we have to perform.

23,644. You could not take Liverpool and say that what holds good there with respect to amalgamation would hold good with regard to other ports?—I am speaking of Liverpool alone.

23,645. You do not necessarily say that Liverpool stands on the same footing as other ports?—At Bristol (I was there for some time) I do not think you could have made any reduction.

23,646. (*Mr. Cleghorn.*) I understand that it is only your own opinion that there would be no advantage gained from amalgamating the two departments; but, as far as you know, the principal traders in Liverpool have not expressed any wish to that effect?—No. I have had it to the contrary. In one case where the warehouse was taken over by the Inland Revenue, I heard that the owner said he wished to Heaven that he might have it back to Customs again. They say they have more restrictions—that the formalities in getting access to the goods are greater. There is notice to be given for operations, and so forth; there is not the

Mr. T. W. Clarke.

21 Feb. 1889.

same freedom for doing the work that we have in our own service.

23,647. May I ask the amount of duties you collected at Liverpool in the year 1888?—3,014,000*l.* odd, according to this return.

Revenue.	1886.	1887.	1888.
	£	£	£
On imports not warehoused -	69,527	81,244	81,519
On warehoused goods - -	3,055,567	3,037,290	2,921,877
Other moneys - - -	11,768	11,199	10,925
Total Customs' Receipt -	3,136,862	3,129,733	3,014,321

23,648. There is rather a decline in three years, according to this return?—Yes, there has been. That I cannot account for.

23,649. (*Chairman.*) Is there any other point with reference to this amalgamation upon which you have any observation to make?—No, I have tried all I can to deal with it in the interests of the public. My own interest in the service is pretty well at an end now; and I do believe honestly that it is better worked by two boards than it would be by one; at all events, that our Customs service is better worked at present than it could be under an amalgamation. That is my opinion only; but that is my best opinion. I look at it purely with reference to the interests of the public.

23,650. Liverpool is, I suppose, the principal collectors department out of London?—Yes, it is the principal in the United Kingdom.

23,651. I understand you to be clearly of opinion that if it was decided to have amalgamation, you would not see your way to economising in staff or making the administration more efficient?—No, I could not. I should be afraid of the contrary. I am sure we are doing everything we can at present; and I think the service would be less efficiently managed with amalgamation. I have tried to look at it on all sides. I have thought of it a good deal; and I am speaking as far as I can, not as a Customs officer, but, as a revenue officer generally.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

SIXTY-NINTH DAY.

7, Whitehall Place, S.W., Friday, February 22nd, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

MR. J. CLEGHORN.
MR. H. L. W. LAWSON, M.P.
MR. J. W. MACLURE, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

Mr. DONALD MARTIN MATHESON called and examined.

Mr. D. M. Matheson.

22 Feb. 1889

23,652. You are the collector of Inland Revenue at Glasgow, I believe?—Yes.

23,653. As your staff does not appear to be shown separately in the Estimate, perhaps you will give us shortly what it consists of?—It consists of myself, as collector, nine supervisors, 75 first-class officers, one second-class officer, and 68 assistants. There is also an establishment of 20 clerks in the collector's office, and at certain seasons of the year I employ temporary clerks on tax work; they vary in number, but sometimes as many as 20 such temporary clerks are employed at one time.

23,654. I suppose your collection is pretty well the largest collection of Inland Revenue, except Liverpool?—It is the largest.

23,655. Is it the largest outside London?—Yes, it is the largest.

23,656. Is it larger than in Liverpool?—Yes. I ought to say it is not larger than the whole of London, for we have in London five collectors of my rank; but individually it is larger than any of the five collections.

23,657. (*Mr. Cleghorn.*) Is it larger than Edinburgh?—Yes; it is much larger. The revenue collected by me amounts to close on 2,000,000*l.* yearly. The population, I may tell you, from which I receive taxes and other revenue amounts to 1,402,830; more than a third of the population of Scotland.

23,658. (*Chairman.*) What is the geographical area of your district?—It includes, for excise, the city of Glasgow and the surrounding parishes; it is called "Glasgow and the burghs surrounding it." Then, for taxes, I have got the whole of the county of Lanark, the whole of the county of Dumbarton, and part of the county of Renfrew, and part of the county of Stirling, which would make up the 1,402,830 inhabitants.

23,659. As regards the taxes, I assume that you are nothing but a receiver of money. You have no control over the Office of Taxes?—It is this way. The Taxes Revenue is peculiar. It originates outside the sphere of the ordinary Revenue officials through Assessors appointed by local commissioners. The Board have, in consequence, appointed special officers called surveyors of taxes, who represent them before the local commissioners as guardians, so to speak, of the Revenue, in the conduct of appeals, &c. On the notices of assessment by the clerk to the commissioners, my name is returned as collector, and it frequently happens that parties call on me when there may be any grievance of being over-assessed. They think that I am assessor, and I generally refer them to the surveyors, who are in my own office. I may mention that there are six surveyors of taxes in my office.

23,660. When we speak of the establishment which you control, you would not include the surveyors of taxes among those you control, would you?—In that degree. I receive all the taxes on notices issued by the clerk to the local commissioners. The surveyors themselves do not issue any notices for the payment of taxes. They are issued by the clerk to the local commissioners, who are quite outside the Board of Inland Revenue. Then, when I get the duplicates of assessments from the local commissioners, I issue all the notices myself direct; but there is a preliminary notice issued by the clerk to the commissioners giving an intimation if they are over-assessed that they have a right to appeal within a certain period.

23,661. But with the exception of being the head of the executive to give notices and so forth to these people and to people who are taxed, you do not yourself deal with questions which arise upon the assessment of taxes?—No; the surveyors bring such under the cognizance of the local commissioners. The local commissioners only deal with over-assessments. The surveyor,

as representing the Board of Inland Revenue, has power to bring cases before the commissioners when there are any points of difference or dissatisfaction as to the assessment, and if dissatisfied there is a means of appeal to the Court of Exchequer in Edinburgh.

23,662. (*Mr. Cleghorn.*) Is not that the same process as exists in England?—Very much the same. It is a tax outside the commissioners' rule. Some of the surveyors are appointed assessors in England as well as in Scotland, but virtually the tax is a local imperial tax.

23,663. (*Chairman.*) Then when you gave us the staff as you did earlier in the day, as consisting of the collector, the supervisors, and the other officers, you did not include the surveyors of taxes in that?—Not in these, but some of the 20 clerks that I have got in my office receive these taxes, and they also have to deal with irrecoverable schedules and take account of them. When I get the duplicates of assessment from the local commissioners I am bound to recover that, either by schedules of discharge or relief or cash received, and when the surveyors return a case as irrecoverable, I employ some one in my office to make a local inquiry whether it is so or not. I have to swear as to all these schedules that there has been due inquiry, and that the circumstances as to their being irrecoverable are correct.

23,664. But you deal with matters of excise in a different way from that in which you are called upon to deal with matters of taxation?—As regards the receipt it is much the same, only in the case of the taxes, when I get the duplicate of the assessments from the clerk to the commissioners, I issue the notices myself for payment. As regards the Excise the officers outside issue the notices for payment.

23,665. Then when questions arise and complaints or inquiries calling for the decision of the officers of Inland Revenue, in matters of excise, you deal with them, so far as you can deal with them, locally; failing your power to deal with them on the spot, do you communicate with the Board in London?—We have the class of supervisors. They have certain districts under them. They supervise the Revenue in these districts allotted to them. In any case coming under their notice, they report direct to the Board themselves, or if the Board do not feel satisfied with their report, they refer to the collector for further inquiry. I inquire into all these cases.

23,666. You mean that all the cases do not come from the supervisors to you, and then pass through you to the Board necessarily?—Not necessarily.

23,667. But the surveyors, in many instances, would communicate direct with the Board?—In any case direct with the Board; but if the Board have any doubt as to the merits of the case, they refer to the collector for further inquiry.

23,668. All your officers, I presume, are trained men?—Yes.

23,669. Who have mostly been employed in the lower branches of the Inland Revenue, and risen upwards?—Yes, all trained, except the temporary clerks I have referred to, and these men are trained for copying notices and making out notices. We keep them on as much as possible from year's end to year's end, when their services are required.

23,670. Now with regard to the question of the suggested amalgamation of the two departments of the Customs and Inland Revenue, we shall be very glad to have what opinion you have formed upon the subject from your experience of Glasgow and elsewhere. May I ask you first what has been your experience outside Glasgow? — My experience extends over 40 years in the Excise.

23,671. Could you just give it us shortly? Has it been entirely in Scotland?—From the lowest rank in the service to the position I hold now as first-class collector. I have been between 16 and 17 years collector, first at Reading in Berkshire. I was next a collector at Perth in Scotland. I was next collector at Campbelltown, Argyllshire, and then my present collection.

23,672. Then having had that experience of Inland Revenue work, and I daresay having had your attention called to this question of amalgamation, we shall be glad to hear what you think about the practical effect it would have in Glasgow, whether it would be practicable or beneficial in any way?—Since the introduction of the Code in 1885, making the charging of duty from warehouses virtually inter-departmental, we have had a great deal of difficulty in administering the Code between the two Boards. Differences occur between the Boards themselves as to the meaning of certain paragraphs, and then there is a difference in practice in the two departments. Some warehouse keepers complain that the Customs give them better advantage than we do, and I believe complaints have been made to the Customs that we gave better advantage than the Customs did, and the two departments were in a measure pitted against one another to see which would give most to the trader. The trade sometimes would say, "Well, if you are so strict with me I must go and "warehouse with the Customs; I am told they are not "so strict as you are." And I believe that similar complaints, so far as I can learn, are made to the Customs.

23,673. What is the proportion of bonded warehouses in Glasgow which are under the management respectively of the Customs and Inland Revenue, how many have you?—There are 25 general warehouses under the Inland Revenue in Glasgow, and 17 bottling warehouses.

23,674. What are they?—That is warehouses that are sometimes inside the other warehouses, specially approved for bottling spirits.

23,675. They are all under the Excise, are they?—What I am giving you now are all under the Excise. There are 36 distillers' warehouses. These are the bonded warehouses. We have nine brewers' and seven distillers'.

23,676. (*Mr. Cleghorn.*) In addition?—In addition. Brewers and distillers are a different trade from the warehouses, and some of the distillers' staff is very much larger than at any of the warehouses.

23,677. (*Chairman.*) What we want to know about Glasgow is the general warehouses?—There are 25 general warehouses and 17 bottling warehouses. The bottling warehouses are attached to the general warehouses.

23,678. What other warehouses are under the Customs?—Under the Customs establishment there are three dry goods warehouses, eight dry and wet goods warehouses, and fourteen wet goods only warehouses. These are all general warehouses I give you for the Customs. The total is 25 general warehouses.

23,679. How do your own general warehouses distribute up into dry goods and wet goods. Do you take any dry goods at all in your general warehouses?—The whole of the dry goods for the present are confined to the Customs. That is one of the grievances with the trade in Glasgow. At the time of the amalgamation of the Code, the Customs retained the dry goods warehouses, and several applications have been made by Excise warehouse keepers to have dry goods warehouses approved. It has been an understanding between the Boards that so long as there is any warehousing accommodation in one department, no new warehousing accommodation of a similar kind will be approved in the other department. Repeated applications have been made to the Board of Inland Revenue to approve dry goods warehouses; the Customs always say we have sufficient space for all the dry goods warehousing in Glasgow, and some of our Excise warehouse keepers have complained grievously that they have to go to the Customs warehouse keepers to store their dry goods which they require sometimes for ships' stores, such as tea and coffee and fruit; whereas if it was under one department they could store those in their own warehouses without any addition to the staff.

23,680. Is there a regulation on the other side against the storing of wet goods in the Customs warehouses?—Yes. Those warehouses are all approved by the Customs as dry goods warehouses and wet goods warehouses. That is where spirits may be stored as well as tea, but no tea or dry goods can be stored in a wet goods warehouse without special approval by the Board.

23,681. You say it would be a convenience to the public, and complaints have been made in that direction?—Very strong complaints in that direction.

23,682. They say that all dutiable goods should be warehoused indiscriminately in any warehouse under either Board?—Yes, so long as the establishment was not increased.

23,683. Do the difficulties of interpreting the Code now continue to the same extent, or have they been got over pretty well since the Code was drawn up?—Some

Mr. D. M. Matheson.

22 Feb. 1889.

points have been done away with, but they still continue as regards trade outside. The trade have lost confidence in the Boards. They go to one Board and give them one version, and they go to the other Board and give them another version; and then the result has been that recently the Warehousekeepers' Association have appointed a solicitor to represent them as secretary; in place of going to the Boards to redress the grievance, they go direct to the Treasury.

23,684. Does not that answer their purpose?—The Treasury communicate with the Boards.

23,685. The Treasury go to the Boards?—Yes.

23,686. The Treasury then make up their minds and inform the Warehousekeepers' Association?—The Treasury ascertain from the Boards the actual state of the case, and they exercise their own discretion as to what communication to make to the traders. But it shows merely the difficulty of the two Boards. It shows an unnatural way of doing business. The Treasury themselves have no knowledge whatever of the matters that come under their notice. It is merely known to the Boards themselves, who have a special knowledge in the matter.

23,687. Then, your view is that in this matter of warehousing, and, especially in the interpretation of the code, the traders would be better served if they could get their interpretation of this difficult code from one Board instead of two?—Decidedly. It is an impossibility to have two departments quite distinct, and different officers, administering the same code; a perfect impossibility. I may tell you that, perhaps I should say a fourth of my work in Glasgow arises from the difficulty of working the Code. From day to day traders call at my office to ask for privileges, and I am told, "This is given at the Customs—I want that which is given at the Customs;" and I have to report cases to the Board; whereas, if it was one department these complaints would not come to me at all.

23,688. Is that an increasing difficulty, do you think?—Well, we are getting acquainted with it. It is always a burden; it is always somewhat of a weight. I get a little more accustomed to it; but it has come to this in the trade. that they have fallen away from the Boards and gone to the Treasury. They have lost confidence in the Boards apparently. It was an unusual thing for traders under the Inland Revenue to go to the Treasury except in very grave cases where they wanted the interference of the Treasury to supersede the law for the time being. The feeling of the traders themselves, I may tell you, is very peculiar in the matter. At the meeting of the Glasgow Warehousekeepers' Association in October last, it was moved to petition the Treasury to amalgamate the two Boards, but an amendment was proposed that it was for the advantage of the trade to have two Boards, and by keeping them at loggerheads as they called it, the trade would get terms which would be impossible under one Board, and this amendment became the ruling of the meeting.

23,689. It was carried?—It was carried.

23,690. The meeting was called for amalgamation, and decided the other way?—Yes.

23,691. Is the popular opinion of Glasgow then against amalgamation?—No. It is merely the opinion of a class of the association, a great many of the warehousekeepers themselves go in for amalgamation, but this, I believe, came chiefly from the Customs warehousekeepers.

23,692. You tell us that the Warehousekeepers' Association in Glasgow have to go to the Treasury, because they cannot get satisfactory decisions, from the fact, that they have to go to two Boards. It appears from the resolution and amendment you have just referred to, that they called a meeting for the purpose of advocating amalgamation, and, therefore, it was probably called by people who were friendly to it, and the meeting so called came to the opposite conclusion; what are we to infer from that?—If they had one Board, there would be no occasion to go to the Treasury at all. The section who made the motion for amalgamation had apparently been of opinion that it was desirable, at least, we may take it, on public grounds; but they yielded to the general opinion of the majority, who were actuated by personal motives, on account of the benefit to be derived from the diversity of practice of the two Boards.

23,693. I am not arguing the case at all. It seems from the evidence that you have put before us, that the Glasgow Warehousekeepers' Association so far have had a public meeting, and have decided against amalgamation?—Certainly, but I take it that, when you come to look into it, that would be the strongest possible reason for it, as regards the public revenue.

23,694. Now we begin to argue it?—Yes, but at the same time I may mention to you, that at the annual meeting of the Scottish Malt Distillers' Association, in October last, it was unanimously resolved to petition the Treasury to amalgamate the two Boards, owing to the delay and inconvenience of transacting business with the Customs Department, especially as to delay of receiving intimation of goods having been deposited when loss arises in transit.

23,695. Their views are in favour of amalgamation, are they?—This was intimated to me by the secretary, who informed me that they had applied for amalgamation. I can give you a few instances of the difficulties of working with two departments, which have actually occurred in my experience.

23,696. That would be very useful. Just pick out a typical instance; we do not want many, but give us a good instance?—In August last, the Excise and Inland Revenue refused to allow new raw grain spirit mixed with a portion of Highland spirit to be exported as "Old Highland Whisky;" the Customs allowed it, and asked the Excise Board to define "Old Whisky" and "Highland Whisky."

23,697. Did the Customs ask the Inland Revenue to define what was "Old Whisky" and "Highland Whisky"?—Yes.

23,698. And was the Inland Revenue Board equal to the occasion?—I am not aware whether they made any reply to it. It shows clearly friction between the two Boards. On a question of labels on spirits bottled for exportation, a very serious misunderstanding had hitherto occurred between them. In a case of spirits for exportation, the name of a person stated to be resident in Glasgow was entirely fictitious, and the Board of Inland Revenue directed that it should not be allowed.

23,699. Was that supposed to be the name of the exporter?—Yes, it was an entirely fictitious name. The proprietor of the spirits removed the spirits to Customs warehouse, where the spirit was bottled and labelled with the fictitious name, by the servants of the Excise warehousekeeper, whence the spirits had been removed.

23,700. They were taken from an Excise warehouse to a Customs warehouse?—Yes, and bottled and labelled there for exportation.

23,701. That was a case in which, in your view, and in the view of the Inland Revenue officers, the Customs were too lax in their procedure?—The Board of Inland Revenue refused to allow it.

23,702. Did the Customs Board refuse it?—I am not aware whether it went before the Customs, but the spirits were bottled and labelled in the Customs warehouse, by the servants of the Excise warehousekeeper; he sent his own servants along to the other warehouse.

23,703. In that case, how did the Inland Revenue become aware of what had taken place?—We granted a warrant to remove the spirits from the warehouse to the Customs. They made immediately an application for that.

23,704. I did not mean the first movement, but afterwards?—We took no further notice of the matter, it did not belong to the department, we could not interfere.

23,705. How could the Inland Revenue become officially aware that that which had been forbidden by themselves, when the spirits were under their control, was allowed by the Customs when it was under the control of the Customs?—The traders servants went and bottled the spirits in the other warehouse. They came back, however, to the Inland Revenue warehouse. There was no remark about it.

23,706. They came and informed the Inland Revenue?—Yes, there was no remark made about the thing.

23,707. Are you aware whether that was ever brought before the notice of the Customs authorities?—No, I am not aware.

23,708. Is it possible it might be done?—I should imagine not. I should think not. I think the local officer must have taken a different view—the view of the different Boards. I take it so.

23,709. When that had taken place, and when the authorities of the Inland Revenue were aware what was done, did they not communicate with the Customs authorities and represent that they deprecated such a state of things?—I am not aware whether steps of that kind were taken.

23,710. Does it not strike you that it would have been a proper thing to do to call the attention of the Customs Department, in London, to the fact that the regulations thought necessary by the Inland Revenue were disregarded by their authorities in Glasgow, and ask for an explanation?—That is the friction between the two different departments, they take different views, as in the case of that Highland whisky I was speaking about. The Customs knew, and the Boards allowed it, and they simply said, "What do you call 'Old Whisky' or 'Highland Whisky'." It was simply a matter of opinion on the Code, and the working of the Code, entirely. It was not a breach of any arrangements connected with the regulations at all, it was a difference of opinion.

23,711. In the interpretation of the code?—Yes. Indeed the Customs took it that the code covered what they did, but the Inland Revenue took it that it did not.

23,712. Clearly, the instance that you have given us, namely, how the Inland Revenue interpreted the code to mean that a fictitious name was not allowable to an exporter, and the Customs had taken a different view, was a point that should have been decided one way or the other by some authority?—Well, it is a point of difference between the Boards, and illustrating the difficulty of working the code. I can give you the paragraph which applied to the case, in the general code, and then you can understand the interpretation put upon it by the two Boards. It is the code that ruled the Boards in the matter. It is paragraph 416; it states that "officers must see that no labels are used "by the proprietors, which imply that goods are "bottled under the inspection of the officers of the "Revenue, or which contain any mis-statement within "their knowledge. The goods may, however, be des- "cribed as bottled in Excise (or Customs) warehouse." It was simply the interpretation of that paragraph of the code. The Customs, I understand, took it that this paragraph covered what they did in the matter.

23,713. We quite understand that the different authorities took different views of the code?—Yes.

23,714. Do you think that the remedy for this could best be found by what is commonly known as amalgamation of the Boards and the formation of one Board?—Yes. I may give you another instance, perhaps. These are not imaginary things, but what have actually taken place. In March 1888 a quantity of spirits was removed from the Excise warehouse in Glasgow to a Customs warehouse in England. The particulars of the account for receipt were exactly the same as those of removal. The officer in England made the casting out of the gauge one-tenth of a gallon at proof less in three casks than the officer at the place of removal, and he returned these three-tenths as liable to duty. The distiller, of course, refused to pay the duty, as there was no loss upon the goods on transit, the same quantity was received as was removed from the distillery; but the Customs officers declined to give way, stating that their rule was correct, and that the rule of the distillery by which the proof was cast must be wrong. On referring to the supervisor at the distillery he could not make any difference on the quantity, and for a period of four months correspondence was going on between two departments as to this three-tenths, and the distiller in the meantime could not avail himself of the margin of the quantity removed under the bond, the bond not being cancelled, until at last the Customs were asked to submit the matter to the Board of Customs, as the accounts could not be altered in Glasgow, and at last they gave way. In the case of one Board such a thing could not occur for a week. It would be sent direct to the Board. There is another instance, of a very grave character, which occurred between the Boards in the case of several consignments of spirit into London for exportation from Glasgow in the year 1887 and onwards. The Customs certified on the despatch "Shipped per Dock Com- "pany's account; officer engaged on other duties." The Board of Inland Revenue refused to receive that as an adequate certificate of exportation, and they refused to pay the export allowance on the goods. The Board of Customs declined to give way on the point, and the result was that for several months, from the month of April 1887 to February 1888, many of the merchants in Glasgow were out of pocket several hundred pounds of export allowances. As they could not be repaid, and the export bond could not be cancelled, diminishing, of course, the margin of their export bond, till at last the merchants applied to the Treasury. The Treasury called upon both Boards, and the Customs gave way, and granted a certificate of export by their own official officer at the ship.

23,715. And in that case you say that the Customs should have given a proper certificate in the first instance?—The Board could not pay the allowance or cancel the bond on the account of a person who was not subject to Revenue regulations. The account was simply by the Dock Company, who had no connexion whatever with the Revenue, and the merchant said my goods may have gone to Hackney for all I know. The dock company's certificate will not clear me of responsibility if they are not landed. If an official of the Revenue receives them and certifies they are exported I am all right, and I claim the price of the goods; but for all I know a member of the Dock Company may have used them for his own purposes and certify to the Customs that he has exported them.

23,716. So far as it goes that is a question, as I understand it, of improper action on the part of whoever was the proper Customs officer, is it not?—It seems to have been homologated by the Board of Customs.

23,717. It is not a fault of the system, is it?—It is the fault of having the two departments.

23,718. It is of course possible that departments will even make a mistake, I suppose, even the Inland Revenue Board may make a mistake occasionally, and no doubt in this case you say the Customs made a mistake?—I do not call it a mistake on their part, it is the system they followed. The matter was brought under the notice of the Board of Customs and no redress was obtained from them.

23,719. (*Mr. Lawson.*) May I ask, why was no redress obtained?—I cannot tell you; they thought that the action taken by their staff was sufficient. That was the method they had of exporting, and they thought it was sufficient. What the reason of the Customs was I do not know; but the result was the merchant went to the Treasury and the Treasury caused inquiry to be made, and since then regular export certificates are given by the Customs officers, which is the only method directed by the code.

23,720. (*Mr. Cleghorn.*) That being so no similar case can occur again?—Not without being a breach of the arrangement come to through the Treasury.

23,721. (*Chairman.*) Now, you have given us some instances, but there is no need to multiply those instances?—I think these may be sufficient instances of the friction that occurs; but I will give you another instance of the rivalry between the departments. In consequence of the unhealthy condition of Ann Street warehouse, Messrs. John Hopkins & Co., the Board condemned it and withdrew their approval. The firm got another warehouse about 400 yards distant, but no Customs warehouse in intervening space, which the Board approved. This warehouse was 228 yards from the quays and 78 yards from nearest Customs warehouse. The condemned warehouse was only 202 yards from the quays. The Customs claimed the warehouse as being within Customs warehousing area, although another Excise warehouse at East Howard Street is only 100 yards from the quays, and the Excise Board consented. The result was that two established officers of the Excise Establishment had to be placed on the redundant list, and two fresh officers taken on by the Customs, thus causing expense to the country and injury to the dropped officers.

23,722. (*Mr. Lawson.*) And would you maintain that that could have been avoided in the case of an amalgamated Revenue Department?—In the case of one department there would have been no object, and it could not have occurred.

23,723. (*Chairman.*) I do not quite understand the case I am afraid. Why did the Inland Revenue agree, or why did the Treasury agree to the creation of a warehouse which involved the bringing in of fresh officers, and the supercession of old ones?—I understand that the Customs have been under the impression, when the warehouses were allocated under the General Code of 1885, that there was a warehousing area to

Mr. D. M. Matheson.

22 Feb. 1889.

each department; that the warehouses on the quays and in close proximity thereto should belong to the Customs; that warehouses outside that area should belong to the Inland Revenue. The Customs maintained that this new warehouse was within that supposed area, and in close proximity to the quays; and the Excise must have been under the same impression, but on inquiry it was found that no such area was ever fixed. A certain number of warehouses was then allocated to the Customs, and a certain number to the Inland Revenue, but there was a general basis of opinion that warehouses on the quays themselves, and in immediate proximity thereto, should be under the Customs, but what distance that proximity was, was never defined. This new warehouse that the Customs claimed was really farther away from the quays than warehouses already in the possession of the Excise.

23,724. And the Inland Revenue Board made a mistake in agreeing to it?—Well, the facts would seem to tend in that direction.

23,725. If the Inland Revenue Board had gone to the Treasury then the Treasury would have set it all right?—I should imagine so.

23,726. Then surely it is rather hard to blame the Customs?—The Customs made the claim. It shows the spirit of rivalry between the departments.

23,727. I understand your argument, it is the spirit of rivalry?—Yes. It was equally faulty of the Customs to make the claim. I may now mention, perhaps, some of the inconveniences that arise from having two departments. In the case of beer exported on drawback there is a great deal of interchange of documents between the departments. The exporter has first to apply to the Excise, and gives them a shipping notice. After account being taken of the particulars by the officer he sends it to the Customs to be indorsed, and then, after the shipping notice is served on the exporter, it comes back to the Excise again to make out the debenture for the drawback, and samples of that beer are taken by the Customs. We have to send messengers down to the quays to get the samples to take to the laboratory in Glasgow and analyse them. We have to accept the Custom House officers statement that the sample taken from the beer is the actual sample of beer exported.

23,728. But you make the analysis?—We make the analysis and we pay the duty. The Customs officers might, for all we know, substitute some other sample for the sample.

23,729. (*Mr. Lawson.*) Have you ever known a case?—No; there are several cases of disputed gravity, but I do not know of such a case. The Customs, as far as my knowledge goes, are highly honourable, as honourable as the Inland Revenue; but I merely suggest the want of control between the two departments.

23,730. (*Chairman.*) You have not got the whole control of it under your own responsible officers?—There are two departments dealing with the same thing.

23,731. (*Mr. Cleghorn.*) You suggest it as a possible occurrence? — Merely from the facts; not that such a thing has occurred, because I have every reason to believe that the Customs officers are fully as reliable as those under the Inland Revenue Departments; but at the same time they do the work for another department.

23,732. But an Excise officer might report wrongly, as well as a Custom House officer?—Yes, but the Excise would not have the same control as to discipline over them, nor the same responsibility in doing work for other departments; at least, that is my impression, although I am not aware it has occurred. Then in the case of beer exported to the Isle of Man, the Customs declined to take samples from that beer because they do not count it exportation. They have Customs House officers at the Isle of Man, but we in the Inland Revenue have to send officers specially down to the quays to take samples of beer to the Isle of Man, although officers of Customs are there on the spot, entailing a great deal of expense and inconvenience because we have to keep an officer at hand when any exporter comes in and says "I am sending by a steamer this "afternoon to the Isle of Man," to send that officer down to the quay to take the samples when there is a Custom House officer at the quay who could take it on spot without any inconvenience or trouble; but I believe the Board of Customs have refused to meet us as to drawing of samples of beer for the Isle of Man.

23,733. (*Mr. Cleghorn.*) They may possibly have reasons of their own which you are not aware of?—It is simply that the Customs treat the Isle of Man as part of the Customs system. They have officers there.

23,734. (*Mr. Lawson.*) Do I understand that in case the two departments could use the same machinery, there would be no necessity for the Inland Revenue officers attending to the export of beer to the Isle of Man at all?—At least the Custom House officers would draw the samples.

23,735. In the Isle of Man?—No, on the quays in Glasgow.

23,736. What do you call drawing the samples?—When beer comes we must have a sample to ascertain the gravity of it.

23,737. (*Chairman.*) Supposing that you had one Board and the whole offices amalgamated, how would beer for export be treated?—They would simply cause the officer at the quays to draw the samples. They would not require duplicate officers to be kept. There are officers of the Customs at the quays already for taking account of goods for export or other work.

23,738. The only difference would be that these officers would be under one Board instead of being, as now, under two?—And also doing this business as well as doing other business at the same time instead of sending a special officer down for the purpose. We send a special officer, and really keep him as a sort of reserve His own business is restricted to that extent; that he has this business to perform. We could put more Inland Revenue business upon him only that he is called down again and again for these samples.

23,739. (*Mr. Cleghorn.*) Does that occur often?—Frequently. There is a vast amount of beer exported to the Isle of Man. It is part of the officer's duty, and we make provision for him to attend whenever he is required. Perhaps he could do double or treble the work that he does actually, but he must be there in case he should be required. Then, in another instance, goods taken account of at the ship's side by the Customs are warehoused in the Customs warehouse without further account being taken, that is, goods imported into this country. In the case of the goods being sent to Excise warehouses the goods have to be sent in the same way as though the warehouse was 400 miles off, although perhaps as near the quays as the Customs warehouses.

23,740. (*Chairman.*) How do you mean, sent in the same way?—A despatch has to be sent and the goods compared at the Excise warehouse, causing a delay of two or three days, at times, and additional staff expense in taking account When these goods are received in the Excise, the officers take account of the gauge and strength and every particular, as if they came from England, whereas, with the Customs themselves, they send an officer with them and deposit them in the warehouse without further account, one account only being taken, that is, the account at the ship side. The warehouse keepers complain grievously of this. They say the men's time is employed in taking a fresh account; and there is delay in putting the goods into the warehouse; whereas if they were under one Board they would be removed straight from the ship's side to the Excise warehouse or the Customs.

23,741. Do I understand now that imported goods coming from the ship cannot be taken straight to the particular Inland Revenue warehouse in Glasgow that the consignor requires, even though it be under the Excise?—No; a despatch must be sent with the goods.

23,742. Cannot that take place before the goods are removed that now necessarily go to a Customs warehouse?—No; if they go to a Customs warehouse, no further account is taken than that at the ship's side; but if they go to the Excise warehouse an account must be taken before they are taken there.

23,743. Could not that be provided for by a simple regulation?—Not while there are two boards.

23,744. Not while there are two boards?—No.

23,745. Why not?—The Customs are a different department. The officers of our department would not be responsible for the goods taken account of by the other department?

23,746. Why not?—Simply because being another department there is no provision in the code for doing so.

23,747. Both Government departments are looking after the revenue?—Yes, two different departments and

different administrations. Our officers might say again, "We did not receive these goods from the Customs. A "portion of the cask is wanting." The Customs say, "We took the account at the ship; we say they are "right;" and then the two departments are at issue again; whereas one department could find out where the blame rested, who is the officer at fault. Our board have no power to inquire as to the veracity of a Customs officer, nor do the Customs question the veracity of our officers. That is, I may tell you, a very considerable grievance with the Excise warehouse keeper, as well as not being able to warehouse dry goods in their Excise warehouses. There was a case as regards the dry goods which I may quote. A firm had made terms for extensive premises belonging to the Glasgow and South-western Railway Company for importing and blending Indian tea alone, for which they were to put up machinery in the place. They could not get sufficient space in the warehouse already approved by the Customs, and the matter was submitted to our Board, and the Customs certified that they had sufficient warehousing space already approved for dry goods, and although the Board, the Inland Revenue, approved of the application, they could not approve of this warehouse, because there was already sufficient warehouse accommodation provided. I have since been told that the party went to Liverpool or somewhere to get the accommodation.

23,748. (*Mr. Lawson.*) On account of there not being room in the Customs there?—On account of not getting this warehouse accommodation approved. The Customs dry goods warehouse keepers try to keep the trade entirely in their own hands, and as long as the Board of Customs certified there was sufficient accommodation for warehousing the dry goods, the Board of Inland Revenue have no power under the code to approve a new warehouse.

23,749. (*Chairman.*) There is a rivalry between the two Boards to get as much of the trade as possible into their own hands?—Yes; that is so.

23,750. And to afford as many facilities to the public as they can?—Yes; and through the warehouse keeper. Again there is the same rivalry and trying to acquire additional trade, and some warehouse keepers say to their clients: "We in the Customs get much better "terms than you get in the Excise," and others say: "We in the Excise get much better terms than you get in the Customs," and I believe there is a good deal of pressure brought to bear on the officers in these warehouses to yield points to clients so as to keep their trade subject to them.

23,751. (*Mr. Lawson.*) I cannot quite follow the last case that you quote with regard to the warehousing of tea in the Customs. How does that show if this particular trader was driven to Liverpool, why he was driven?—I do not know that he got a place. I was informed that he got one there.

23,752. The point I want to ask you is this: how does that show that in the Customs there was any great zeal for the collection of the revenue if they deliberately drive a man away on account of the want of accommodation?—I merely speak of the local friction; I am not speaking outside Glasgow. I do not know what goes on outside Glasgow.

23,753. This is a Glasgow case?—Yes.

23,754. The case you quoted to us was as to the importation of tea into Glasgow?—Yes, and the complaint of the Excise general warehouse keeper that they cannot store dry goods in their warehouses, the dry goods being entirely in the hands of the Customs in Glasgow.

23,755. But the Customs would give no facilities for the storage of this tea?—As long as they have space for the storage of dry goods the Board of Inland Revenue cannot approve fresh premises, which would entail further expense on the establishment.

23,756. Why did not the Customs give accommodation to this particular merchant?—They could not, and had not the space. He wanted to put up certain machinery for blending tea on a large scale: their warehouses were merely in the hands of local persons. I may tell you there are no Crown bonded warehouses in Glasgow, but merely premises rented by persons who make a trade of being warehouse keepers.

23,757. The Inland Revenue had the space; they were not allowed to use it?—This person got space with the Glasgow and South-western Railway, where the Inland Revenue had already a wet goods warehouse with same traders, and he wanted a dry goods warehouse along with the wet; but the Board of Inland Revenue could not approve of it in the face of the statement that there was already sufficient dry goods warehousing space approved.

23,758. (*Chairman.*) Could not the Inland Revenue appeal to the Treasury?—They could not under the code. It is an understanding under the code that one department cannot sanction a warehouse so long as the other department certifies that there is sufficient warehouse space already approved.

23,759. In this case you say the Customs certified there was space?—The Customs certified such, but it was not of the nature that this man wanted. I think these, perhaps, form many of the points. I mention to you now the inconvenience of two departments. Under 50 & 51 Victoria, chap. 15, sec. 5, passed in July, 1887, which came into force on 21st May 1887, the duty on manufactured tobacco, containing 10 lbs. of moisture, or more in every 100 lb., was reduced to 3*s.* 2*d.*, less than 10 lbs. of moisture to 3*s.* 6*d.* The duty on tobacco in the course of manufacture, on being dried at a temperature of 212° Fahrenheit's thermometer, if decreased in weight by more than 35 per cent., is liable to a penalty of 50*l.*, and confiscation of the goods. Although the tobacco duty is a Customs duty, the enforcing of the moisture clause is entirely left with the Excise department, which has no direct interest in the prosperity of the Customs Revenue. The Excise Department as such I mean.

23,760. You mean there is no inducement?—Not the same inducement that exists under their own department. They are simply doing the work for another department.

23,761. Your argument is that the Inland Revenue might be lax in performing their duties in seeing what the tobacco was, because it was the Customs revenue not Inland?—Yes, the Customs has no power to enforce its views upon the officers.

23,762. Do not the Inland Revenue collect a good deal of revenue for the Customs, and *vice versâ*?—Yes, but we have very few tobacco warehouses in the country and no control, we merely collect the Customs revenue; it is accounted for to the Customs; it is a Customs duty entirely.

23,763. (*Mr. Lawson.*) I should like you to give a concrete instance to illustrate the cross duties of the Customs and Inland Revenue in respect to tobacco. I want to know where the separate examination would come in if a consignment of tobacco were brought to Glasgow?—There is no tobacco warehouse in Glasgow; the duty is entirely a Customs duty in Glasgow, but we have the manufacture of tobacco. That is under the charge of the Inland Revenue, and indirectly the duty is collected in the process of manufacture. If there is more than 35 per cent. of moisture in the tobacco of course it affects the duty of Customs, and if we allow more than 35 per cent. of moisture the Customs duty is decreased in proportion.

23,764. (*Chairman.*) Let us follow a cask, or whatever you call it, of tobacco landed in Glasgow for manufacture; where is it taken to first?—It is taken to the tobacco manufactory after duty is paid to the Customs. Duty is paid to the Customs on this basis which I told you—if it contains 10 lbs. of moisture or more in every 100 lbs. it is subject to a duty of 3*s.* 2*d.*, if less than 10 lbs., 3*s.* 6*d.*

23,765. I want to know where it is examined?—It is sent to tobacco manufactories.

23,766. Supposing there are 10 large casks of tobacco come, which I have seen in some of these Inland Revenue warehouses in London, is a sample cask examined by the Customs before it is landed on the premises of the manufacturer?—Yes, the whole of it is examined by the Customs to see whether it is subject to the higher duty.

23,767. Where is it examined, in the Customs warehouse?—They have a laboratory at the port where samples are examined.

23,768. Is this tobacco put in the Customs warehouse first?—Yes, or the duty is charged at the ships' sides in Glasgow.

23,769. At all warehouses or the ships' side the tobacco is examined and sent on to the manufactory, and there it becomes an entirely Inland Revenue affair?—Which is entirely under the Inland Revenue supervision.

Mr. D: M. Matheson.

22 Feb. 1889.

23,770. Where is the conflict between the Boards there?—We employ officers to see that in the process of the manufacture, the weight of the tobacco on being dried, at 212° Fahrenheit thermometer, is decreased not more than 35 per cent. That is merely to show that there is no more moisture put into it than 35 per cent.

23,771. That is during the process of manufacture?—During the process of manufacture; but, if the tobacco manufacturer adds more water to it than 35 per cent., he is liable to the penalty. That rests entirely on the intelligence of our officers to keep him entirely within that moisture clause, because that affects the duty. If he adds more moisture, of course there is more duty involved.

23,772. (*Mr. Lawson.*) In case the departments were consolidated, where do you think a simplification of work would come in with regard to that?—The charging department would see that the control of this moisture clause, which is a very important one, was strictly carried out, because the prosperity of the revenue entirely depends upon it.

23,773. You say they do not at the present time?—Yes, they do. I believe our officers fairly perform the duty, and I merely illustrated it to you to show they are not subject to the control of the Customs Board.

23,774. (*Chairman.*) As I understand it, there may be two processes, as it were, or two investigations. The first investigation is when the tobacco is landed to see what proportion of moisture it contains, because it comes under different duties according to its moisture?—Yes.

23,775. That having been ascertained?—The duty is charged upon that basis.

23,776. It is then delivered to be manufactured, and, while it is in the process of manufacture, the Inland Revenue have to watch in order to see that more lbs. of tobacco are not sold as tobacco by putting too much water in it than he is really entitled to add?—Yes.

23,777. Then how would the amalgamation of the Board, or there being only one Board in London, or one set of officers in Glasgow, facilitate that businesss?—The watching of the process of manufacture, as regards quantity of water added, is an important one, because the duty charged originally depends upon that. We watch that for the Customs now, but we are not subject to the Customs control. If the manufacturer added 50 per cent. of water, which he might do, or say 40 per cent.; of course, there is 5 per cent. of duty that he appropriates. The singularity of the duty is that it depends upon the process of manufacture and the quantity of water added. There is a minimum and a maximum quantity of water, and in the process of manufacture there is a similar ratio maintained throughout, and if it is found in the hands of the retailer with an excess of moisture, it is liable to seizure.

23,778. When is the duty paid altogether, the whole duty upon manufactured tobacco?—On delivery at the Customs warehouse or the Excise warehouse where it is deposited.

22,779. (*Mr. Lawson.*) On delivery over?—On delivery over. The duty is charged there on a certain basis of moisture, and then throughout the manufacture there is a limit of moisture allowed which, if it is exceeded, is liable to a penalty. They cannot allow in the process of manufacture a further addition of moisture beyond a certain per-centage.

23,780. (*Chairman.*) If the tobacco is manufactured according to regulation, that is to say, if too much moisture is not put into the tobacco then, is there any alteration in the duty?—No, none whatever; but our officers have to see that that degree of moisture allowed is not exceeded; and that is where our supervision is entirely as regards that in the manufacture. The Customs have nothing whatever to do with it, although it is a Customs duty. That of seeing that the moisture clause is not exceeded is delegated to a different department altogether. That is merely illustrating the point.

23,781. (*Mr. Cleghorn.*) Do you think that the Government and the revenue suffer from that state of things?—I believe that our officers and the Board of Inland Revenue are as anxious to secure the duty in the process of manufacture as the Customs Board themselves, fully as desirous of seeing that the law is strictly observed in the process of manufacture; but at the same time it seems an anomaly that there is a Customs duty and its value, and the very existence and prosperity of it depends upon the supervision of another department.

23,782. But you have no reason to suppose that the department does not thoroughly do its duty?—None whatever. I believe they do it thoroughly and well; but, at the same time, they are not subject to Customs control.

23,783. (*Mr. Lawson.*) You stated at the beginning, when you commenced to give us this case, that you believed the revenue did suffer, I understood that?—I said it "might," not "did."

23,784. Might suffer?—Yes.

23,785. It is entirely hypothetical?—Not hypothetical; it shows the anomaly of one department raising a revenue and another department superintending and enforcing the laws in regard to it.

23,786. (*Mr. Cleghorn.*) Yes, but the revenue might suffer if anything is not properly looked after?—You see within a department itself there is a power of control and supervision. Supposing that the tobacco duty was going down, and that the Customs believed that the moisture clause in manufacturing was not strictly enforced by the Inland Revenue, they could merely make a remonstrance with them. They have no power themselves of ascertaining as a fact whether it is so or not; whereas, if it was in their own control, they could send an officer and ascertain whether these men were really doing their duty.

23,787. (*Mr. Lawson.*) Do you believe that the cost of collecting the duty, in the case of tobacco, is much increased by the double set of officers that are necessary for the two departments?—There is increased cost, no doubt, but the main objection to the dual system is in the want of direct control as to the moisture limit in the process of manufacture on the part of the department directly responsible for the duty, which is a Customs duty. The enforcing of the moisture clause is delegated to a department not subject to Customs supervision.

23,788. What I want to know is, do you think the cost of collection is increased then?—It is this way; if you have two departments doing what one department could do, the cost must be increased. I answer it on these lines.

23,789. (*Chairman.*) Are there more officers employed in the case of tobacco—keeping yourself to this case of tobacco—under this present system than would be employed under a system of amalgamation?—You see there are other things outside that case which should be taken along with it; that is merely a part of a whole.

23,790. Then let me ask you generally; let us take Glasgow, and I will ask you to what extent you wish amalgamation should go. Is it your opinion that any substantial economy in the collection of revenue of both sorts could be effected by amalgamation at Glasgow?—Yes; I am thoroughly of opinion that it would lead to not only economy, but also to greater efficiency and greater facility for the trade.

23,791. Your evidence has been a good deal in the line that there would be increased efficiency and satisfaction to the trade; that has been your view. Now we come to economy?—As to economy, that, I think, would be effected. I mentioned some time ago that a great deal of my time was taken up by the difficulties under the Code in working it, to the extent, I think for some years, of a fourth part of my time, which was, more or less, taken up in that direction.

23,792. Then, that being so, when you say that one-fourth of your time is spent in interpreting the Code, does it mean one-fourth of your time is taken up in consequence of the different views taken by yourself and the Customs?—Not so much as seeing traders upon difficulties, working along with the Customs, as to concessions alleged to be given by the Customs and not given by the Excise; and then, as to reporting matters to the Board in connexion with labels, and in connexion with difficulties in working the Code; and then parties seeing me through the day as to wanting operations carried on with their goods that were not clearly allowed by the Code. There would be greater liberty in the one department in giving concessions when you had no other department to compete with, as the Code binds the two departments to a uniform practice; and the difficulty is in ascertaining what the uniform practice is. We have strictly to keep to the letter of the Code, so as to observe that rule; and

sometimes we restrict operations which under one Board we should not do. We could give a little more latitude.

23,793. (*Mr. Cleghorn.*) When you are told by anyone that the Customs are more liberal or lenient than the Inland Revenue, do you ever go to the Customs and inquire into the matter?—No.

23,794. You never do that?—No, we never do that; we merely take it for what it is worth. There is such a thing as trying to get round us to get better terms.

23,795. (*Chairman.*) Is it your opinion, looking at the work that is done at Glasgow, that one head official collector, or whatever he is called, could be the head of the whole revenue collection at Glasgow?—That is my opinion.

23,796. And that he could be responsible for the control of the establishment under him, and the collection of the revenue, whether Customs or Excise, to the same extent as you are now responsible for your collection on the Inland Revenue side alone?—I think so. I think it is quite practicable. I may mention to you perhaps the grounds upon which I form that opinion.

23,797. If you please?—I have mentioned to you already 25 general warehouses under the charge of the Customs in Glasgow, the general warehouses I have already given you as under the control of the Inland Revenue. There are nine supervisors. On the same ratio I would take it that five supervisors would be sufficient to control the 25 warehouses under the Customs.

23,798. (*Mr. Lawson.*) They have no supervisors in the Customs?—No, they have similar officers, surveyors; but not with the same name, and with, perhaps, in and out, from 60 to 70 officers to manage the Customs warehouses.

23,799. As against the present number in the Customs?—I do not know the exact number in the Customs at present, but I am giving you this as the basis of my opinion. That would make Glasgow consist of 14 districts in place of nine, as at present.

23,800. Nine Inland Revenue districts?—Nine Inland Revenue districts.

23,801. And Customs districts?—I estimate that there would be five.

23,802. (*Chairman.*) Putting them altogether under one officer there would be 14 districts?—14 districts.

23,803. (*Mr. Lawson.*) At the present time there are 14,—nine Inland Revenue and five Customs?—Yes, and I estimate, perhaps, that the addition of Customs business under the Code would add to my work about one-fourth of what it is at present.

23,804. Would that fully employ your time?—Yes, quite fully.

23,805. (*Chairman.*) Is much of your time taken up by work which you might very fairly delegate to a subordinate, and keep more of the higher controlling work in your own hands?—A little improvement might be made in that direction; but the Board of Inland Revenue are very particular as to check by the responsible officers. It is very necessary. We seldom or ever have irregularities in our departments; but slight improvements might be made in the direction of relief to the check officers in matters of detail; but without counting much upon that, I estimate that a fourth of the time which is taken up in cases of dispute in the working of the Code would go to meet this additional work thrown upon me, so that it would not be beyond my power. Of course additional clerks would be required from the Customs; and I think, perhaps, three clerks at the outside could do the work in the collector's office of these 25 warehouses, in addition to the present staff. In connexion with that point I may mention perhaps what you may feel an interest in as to the duties of the two departments in Glasgow. I will give you a general idea; the Customs have the exclusive administration and supervision of all goods imported into the country.

23,806. (*Chairman.*) That will always have to be done by somebody or other; some special officer, will it not?—Yes.

23,807. Whether you are amalgamated or not there must be a special staff to rummage the vessels and to examine the vessels, and to see what the goods are; whether dutiable or not?—Yes, and such as taking preliminary account at the ship's side after the goods may be passed to the warehouse under the general Code applicable to both departments; that is outside the general Code at present, taking the account at the ships' sides. The Customs do that; after that it comes under the general Code applicable to both departments. They have also to charge and rummage and search all vessels for contraband goods. This is all outside the Code as I mentioned to you; and along with this they make certain statistical returns for the Board of Trade as to vessels cleared inwards and outwards, and as to goods and values imported and exported, and the receipt of light dues, all of which arise more or less contemporaneously in connexion with the revenue supervision. The Inland Revenue Department have, on the other hand, outside the source of revenue covered by the general Code the exclusive control and supervision of the manufacture and warehousing at distilleries of all the British plain spirits made in the United Kingdom, as well as the charging of duty on beer, licenses, and the collection of Imperial taxes generally, including death duties, and the control and supervision of all other stamp duties. These are outside the general Code. The duties performed by the Inland Revenue officers outside the Code, such as the account of spirits in the process of manufacture, and of warehousing same at distilleries, the charging of duty on beer, and on licenses generally, may readily be acquired by Customs officers in the course of six weeks, the period deemed sufficient for the instruction of candidates for the rank of surveying officer of excise.

23,808. (*Chairman.*) You are still speaking of duties outside the Code?—Outside the Code. The duties performed by the Customs officers, on the other hand, outside the general Code, such as taking account of goods subject to Customs duties at the ship's side prior to warehousing under the general Code, the rummaging and searching of vessels for contraband goods, the Board of Trade statistical returns, and receipt of light dues may readily and efficiently be acquired by the already trained Inland Revenue officer under the general Code in a like period of six weeks so as to be able to discharge these duties as at present performed by the Customs officers The total allowance by the Board of Trade to the Customs for these light dues and duties outside the Code for the Board of Trade amount yearly to 10,593*l.* 10*s.* 3*d.*, the allowance is for extra duties which are performed for the Board of Trade generally over the country; but I believe that in some cases these duties are included in Customs officers salaries. I am not able to get at that. Before coming to this I may tell you that somewhat analogous duties performed at present by the Customs, outside the general Code, for the Board of Trade, &c., in the matter of statistical returns, are at present performed by the Inland Revenue Department in the collection of statistical returns for the Committee of Council for Agriculture; and the Inland Revenue Department receive the Assay duty on gold and silver plate in the United Kingdom. This department devotes a special staff for the search and suppression on land of smuggling generally. The allowance by the Treasury to the Inland Revenue for gathering statistical returns and for the Committee of Council for Agriculture is 15,800*l.* a year. That is for duties performed outside the functions of a Revenue officer entirely; and putting the one against the other you may say that there are equal duties performed by the Inland Revenue Department as performed by the Customs Department for statistical purposes.

23,809. Outside the Code?—Yes.

23,810. Is your argument further that either one set of officers or the other set of officers could learn in six weeks the duties of the other set?—Quite so.

23,811. And that those are all outside the Code, and that all inside the Code are equally within the knowledge of both parties?—They are already conversant with them.

23,812. Therefore, there is no reason why amalgamation should not be, as far as the working of the Code is concerned, effective within six weeks?—The officers are already conversant with the Code, and the other duties outside the Code could be learnt in that time.

23,813. (*Mr. Lawson.*) Of course, with regard to the water-guard service, there is no class among your officers at all corresponding to that in the Customs?—We have at present what we call preventive men; men employed along with commissioned officers in suppressing smuggling Inland; these might be put as being the same kind though not to the same extent as the Customs.

23,814. The preventive men serve at a larger salary?—No, I think not, 50*l.* Men without any commission at all.

Mr. D. M. Matheson.

22 Feb. 1889.

23,815. (*Chairman.*) They begin at 10*s.* a week, and they rise to 20*s.*, so that they cannot be said to be more expensive than the men in the Customs?—Yes. The men assist the officer in case of searching or deforcing.

23,816. When you talk of amalgamation, to what extent do you think that amalgamation would be practicable?—I think the whole of the Revenue duties in Glasgow could be received by one collector on the lines that I have mentioned to you at present. I gave you the increase of the staff.

23,817. He could not only receive all the Revenue, but you think that further than that, he could control all the establishment that collects the Revenue, and decide all the difficult questions that have to be decided locally?—In the same way as at present in regard to Inland Revenue. Our great difficulty in the work of the Inland Revenue is with small matters such as licenses and taxes. With the warehouses we have very little trouble, except what trouble arises through the general Code. All spirits delivered from warehouses are delivered upon a warrant made out by the officers. The account is made out at the warehouse and these returns are sent to the collector's office with the duty, the clerks receive the warrant, retain a portion of it as receipt, and give the other portion as authority to deliver the goods from the warehouse.

23,818. Are you at all familiar with the kind of questions which have to be setted by the collector of Customs at Glasgow?—Not as regards statistical returns. I am as regards the general Code.

23,819. The statistical returns cannot go for very much, but as to the general work and the control by the collector at Glasgow on the Customs side, do you know what kind of questions and what amount of them he has to settle?—Under the general Code similar questions are put to the Inland Revenue collector. There are the same duties, charged under the same law, charged under the same regulations.

23,820. But outside the Code?—There are the Board of Trade returns. I may tell you that we furnish some of the data that they get up for the Board of Trade; in the case of spirits exported, we put the values on the documents to the Customs. The value of the goods which is returned to the Board of Trade.

23,821. Do you go so far as to express the opinion that a special training in the water-guard duties and the special Customs duties, and so on, is not necessary on the Customs side?—I do not say so, but I may mention to you that these duties could be acquired by our officers in a period of six weeks, the same as they acquire the Inland Revenue duties.

23,822. Then, when we are told that a great many of these duties of the Customs officers are very technical and difficult, more so possibly than those of the Inland Revenue officers, and that it is absolutely essential for anyone who has the control to understand these things thoroughly, you do not quite agree with that view?—At least subject to a qualification that of course a period more or less of instruction is necessary to acquire these duties. These duties are acquired by the Customs themselves you see. There is nothing intricate in these returns, but what an intelligent Revenue officer could acquire within a definite period. It is not peculiar to the Customs Department, that intelligence necessary for the purpose.

23,823 (*Mr .Lawson.*) So far as the statistical returns are concered, I believe it is the case that they are sent up in bulk to London?—I am not aware. We furnish a great deal of it to the Customs. We put the values of the spirits exported on the despatches, so that they merely aggregate that for the Statistical Department. I may mention, too, that the Customs have what they call a statistical department. They keep an account of all spirits transferred from one department to another in London. By uniting the Boards that department could be entirely dispensed with, I believe it is a very costly department. It may take in hand Board of Trade work. In the case of spirits sent from an Excise Warehouse to the Customs a duplicate is sent to that department in London, and an account kept by the Customs Department of the spirits intromitted between the two departments.

23,824. (*Mr. Cleghorn.*) And would the amalgamation of the departments supersede that?—It would entirely do away with that. We have no such thing in our department. We have an Accountant and Controller General in London, who controls the whole revenue of the country; in our monthly returns we show in the accounts the spirits sent from one warehouse to another, and he checks the accounts. The accounts are increased in one warehouse and correspondingly decreased in another. In the Customs there is no means of doing that. This statistical department exists as a sort of clearing house between the two departments.

23,825. (*Chairman.*) Do you think there would be much diminution in the staff in Glasgow if there was one Board and an amalgamated service? Can you give any instance where there is an unnecessary duplication of work beyond those you have pointed out to us?—I am not aware that the staff at the warehouses could be diminished, but as I told you, from the spirit of rivalry that exists, some warehouses might be dispensed with in course of time, if one department had the control of the accommodation of the whole warehousing. They could apply the pruning knife more efficiently.

23,826. I quite understand that from the Government point of view, the bonded warehouses are already too numerous?—Yes; far too numerous.

23,827. Although possibly the trade would not be of that opinion?—Yes.

23,828. But I think some suggestion has been made that all the warehouses at the ports should belong to the Customs; and all inland should belong to the Inland Revenue. That, whatever other objections there are to it, would get rid of the duplicate management at any particular port, would it not?—Yes, and the conflict, the whole difficulty from the first between the two departments, was passing a uniform code that virtually abolished the two departments—theoretically, not practically. If the Board of Customs had taken over the Inland Revenue regulations, and applied them to all British spirits, and obtained their instructions from the Board of Inland Revenue, and the Board of Inland Revenue had taken over the Customs regulations as regards the warehousing of foreign spirits, there would have been no collision between the departments at all.

23,829. Then do you suggest an amended code?—No; I think you have gone too far on the other lines; passed the margin for recovery in that respect. I think the whole of the steps that have been taken, whether with open eyes or shut eyes, have been practically to abolish the two departments.

23,830. (*Mr. Lawson.*) Except as regards staff.—To abolish the two Boards and to have one Board. If, at the time that they agreed between them in 1885 to pass a mutual general code, they had said to the Inland Revenue as regards the warehousing of British goods: "We will take your regulations and work them out for "you. As regards the Customs goods, you take our "regulations and work them, and any amendment of "these regulations must come from us." Then it would be practicable to maintain two departments, but under the general code it is impracticable.

23,831. (*Chairman.*) You have not made any calculation at all; you could not really give us any idea of what economy could be effected in the system at Glasgow?—The economy would lie, in the first place, in the salary of one of the collectors at Glasgow. You might, perhaps, out of generosity, increase the salary of the one who remains, but there would be no clerks continued in the Customs except the three I have referred to as being necessary to be taken over. Then there would be a saving in the cost of inspection. We employ Revenue inspectors down there, and they go over the same ground where the Customs warehouses are. They could do the work that the Customs inspectors do now, where they do resort to inspection.

23,832. That is an instance of duplicating work rather, is it not?—Quite duplicate work, going over the same ground by two classes of officers.

23,833. Just give us a concrete instance of that.—Such inspection as they make—I am not aware what inspectors the Customs keep, but the Board of Inland Revenue at present keep in Glasgow two inspectors to see that the Revenue is properly charged.

23,834. Where do they go?—To all the warehouses—go to them unexpectedly and inspect the books of the officers.

23,835. Is it your view that these inspectors might equally inspect the 25 Customs warehouses?—The same as they are inspecting the other warehouses. They are in the same streets.

23,836. Does not it rather follow that these inspectors of Inland Revenue have not their time fully employed?—We withdraw them. They are only for a certain time of the year on inspection work in Glasgow. They are not fully employed throughout the year. They are sent out at certain unexpected times to see how the work has got on, merely as a check for the Board of Inland Revenue. By what means the Customs ascertain that the local officers are doing their duty, I do not know, but I presume there is something similar in the case of inspectors. If we have one class of inspectors, in that direction there will be a saving.

23,837. (*Mr. Cleghorn.*) You mean the inspectors are not confined to the Glasgow district?—No; they go to Scotland; they are perambulating over the whole country, over Ireland and England as well. They are out from Somerset House.

23,838. (*Mr. Lawson.*) But at the same time you mean while at Glasgow they might just as well go to the Inland Revenue as well as to the Customs warehouses?—Yes, go to the Customs warehouses as well.

23,839. Probably not waste their time?—No doubt.

23,840. (*Chairman.*) Has it occurred to you that there is any other class of officers that might be abolished or diminished in Glasgow?—I think the work would be more concentrated if there was one department. At present each department wants to make itself as big as possible. They do not, if possible, wish to diminish any warehouse, because it diminishes the prestige of the department—makes it smaller. There is a natural feeling of that kind, but with one department the work would be concentrated more, and the feeling could not exist between the departments. There would be greater efficiency, more control, and this influence which is brought to bear upon the officers by alleging that better terms are given by the Excise than by the Customs, or that better terms are given by the Customs than by the Excise, could be entirely done away with, and officers would be left free from any influence of that kind.

23,841. Would you apprehend any difference in the scale of salaries which now exists between officers who are doing similar duties on the two sides?—I believe in some cases the salaries of corresponding officers in the Customs are higher, but even in the case of amalgamation there would be no occasion whatever to dispense with their services where they are at present till they died out. The amalgamation will not involve that these Customs officers will be moved away from the warehouses; they would perform the duties they are doing at present subject to one Board.

23,842. The control would be the same?—Yes. Then as these officers die out one administration could make such reforms as they deem necessary in the face of the matter. The same jealousy as to difference of salary exists at present as would exist if the departments were amalgamated, that is a temporary question that would pass out of view when the present staff disappeared under the united Board. I would mention on that point some of my ideas with regard to the general aspect of the question. The differences of salaries are at present very manifest in some places between the departments, and in the case of collectors at some ports of the Customs they receive, I am told, as high as 1,200*l*. The maximum salary allowed by the Inland Revenue in the case of first class collectors is 800*l*. In my own case I collect nearly double the Revenue at Glasgow that the collector of the Customs does, and the maximum of my salary is only 800*l*., but I am told from emoluments and everything else it is much higher with the collector of Customs who collects, as I have said, only about half the Revenue that I do.

23,843. (*Mr. Lawson.*) Then, do you think with a consolidated department the scale of salaries might be assimilated to that of the Inland Revenue?—Yes, and I may mention to you with regard to this, that in a great many places in the country, not only in Glasgow but where there are two collectors of Inland Revenue, one would be done away with, it would apply to the whole Kingdom. The saving would be enormous in small places, and such other places as we have collectors inland that could be removed to the parts where the Customs collectors are such as now at Canterbury and Dover. There are two collectors there, one at Dover and one at Canterbury, for the Inland Revenue. There is no reason whatever why the collector at Canterbury should not be placed at Dover and do the whole work of the Customs and the Inland Revenue too. The same thing would occur with regard to Maidstone and Rochester. The collector at Maidstone of the Inland Revenue could be placed at Rochester, and that would do away with the Collector of Customs there. In the case of Scotland, at Stirling and Alloa, the collector at Alloa could be done away with, and the collector at Stirling placed there with equal facility to the Inland Revenue. These dual officers could be done away with under the amalgamation. Then, in the case of coast officers of the Customs, if there are principal coast officers and Inland Revenue officers in the same locality, one or other of these two could be dispensed with, and the duties of the departments taken over by the other. The saving in the course of time in that direction would be simply enormous to the country.

23,844. It covers the whole coast practically?—The whole country, yes.

23,845. Do you contend at the present time that at Glasgow you have too many warehouses, taking into account those that belong to both departments?—Certainly, there are small warehouses which we took over from the Customs in 1885 which would never be approved by the Board of Inland Revenue now. There were warehouses in which lockers only were kept; no accounts were kept there at the time, they were merely storage places; but the keepers having the privilege, the Board of Inland Revenue seemed to have no power to withdraw it from them.

23,846. Then that involves a waste of public money in the attendance of officers in warehouses which are not really required by the trade?—Decidedly the officers are not fully employed, and yet we cannot withdraw the officers from them. A large saving could be effected in Glasgow from that alone by applying the rule of not sanctioning any warehouse except of a certain size.

23,847. Then I understand you to admit that the time of your officers is not fully employed?—Not at these small warehouses; they are simply watching the warehouse.

23,848. Still you do not see your way, if the two departments are maintained as separate establishments, to reduce the number, because there must be a certain attendance even at these unnecessary warehouses?—The departments are unwilling to diminish their prestige, I may tell you.

23,849. If you could get over that feeling do you believe it would be possible, keeping the two departments, to diminish the staff of each respectively?—I do not think it would.

23,850. Do you think the feeling is too strong?—Yes. I think the two Boards are too strong in their position to do that.

23,851. And no instructions from head-quarters would make any difference?—The difficulty is to put the instructions in at head-quarters. I may mention to you, in connexion with the coast officers that could be dispensed with, that the discontinuing of the dual offices of Collector of Customs and Collector of Inland Revenue in all towns where the two exist, and where one of them could be dispensed with entirely, would be an enormous saving in itself. In the cases I mentioned to you of Inland collectors, the Inland Revenue collector could be removed to one of the ports of the Customs, whereas a collector of the Customs could be removed from Stirling to Alloa, and Canterbury to Dover, and numerous other places of that kind. Then many of the clerks could be dispensed with in these offices.

23,852. I was going to ask you whether you thought there was much saving to be effected in respect of clerical work?—Yes, as well as with the collectors themselves.

23,853. Have you too many clerks for your own duties?—No, we are very much pressed, but at the same time there would only be a little re-arrangement, as they are doing analogous work to the clerks of the collector of the Customs.

23,854. Supposing there were a single staff of clerks in place of the two sets now existent in Glasgow, what would be the difference as compared with the present proportions?—I think I mentioned as regards taking over the warehouses business that I thought the addition of three clerks to the collectors office in Glasgow would do the whole of the work of receiving duty and the accounts as at present carried on by the Customs in connexion with the Revenue.

23,855. Can you answer that. Are you able to say they might be reduced by a quarter or any figure of that kind?—I should not like to fix a definite figure.

Mr. D. M. Matheson.

22 Feb. 1889.

23,856. But you think they might be considerably reduced?—Yes, very considerably reduced, I think.

23,857. And that would apply, of course, to the whole of the staff of supervision?—Yes, I might give you an instance, perhaps, in the case of Newcastle, where the Inland Revenue have a collector at 650*l.* a year. There is a Customs collector there; but I am not certain as to the amount of his salary.

23,858–9. The Inland Revenue collector at Newcastle is a collector of the second class, is he not?—Yes, these two collectorships could be formed into one, and one of them abolished, and making a moderate estimate one clerk at least dispensed with. The total saving of that port alone would amount to a little short of 1,400*l.*

23,860. 1,400*l.* annually?—By amalgamating; that is putting it at a moderate estimate. I believe it to be a good deal more than that.

23,861. (*Mr. Cleghorn.*) You have no doubt that one collector could do the work of the two now employed?—No doubt whatever.

23,862. (*Mr. Lawson.*) I suppose you argue that if it is possible at Glasgow and Newcastle it follows *a fortiori* that it would be much easier at the small ports?—Much easier at the small ports.

23,863. (*Chairman.*) Are you prepared to say that the traders at Newcastle would take the same view as you do?—Possibly the traders at Newcastle would not, but it is a question of Revenue. These traders are subject to the same laws in respect of their trade under the Code. It is not a matter of liking or disliking any department to them; it is a matter of the laws which have to be observed.

23,864. I do not mean preferring one department or the other. Keep that out of sight as much as possible. I mean this: Is it not possible that the traders might desire to have an officer of the Customs and also an officer of the Inland Revenue to whom they might go with their grievances and get their business done, and might they not view with disfavour the withdrawal of one of those officers. I am not saying it is so. I am only asking you is not it possible that they might if we consolidated those two officers into one?—I think so. I think there would be a great deal of opposition, local opposition. I imagine so. There is that always to be looked for in effecting a reform. You will always find a body of men opposing it, but I am arguing entirely from a Revenue point of view, having regard to the benefit to the country to be derived from amalgamation of the departments.

23,865. (*Mr. Lawson.*) Does the same statement apply to Glasgow. Do you think there would be much local opposition to the consolidation?—I think there would be very much local opposition from certain warehousekeepers.

23,866. On the ground of the convenience of the present system?—From personal interests, of course, there are always men to be found who will never move in the way of progress, but will always keep in the same groove.

23,867. I suppose you would not include the whole of the merchant class in that category?—No. There would be some opposition from the trade. I merely argue on the score of efficiency and economy to the country.

23,868. On the other hand, would you find a certain number of merchants who at the present time in Glasgow favour amalgamation?—Yes, the more intelligent ones.

23,869. Of the larger merchants?—Yes, of the larger merchants. Some of the largest distillers favour it. But in connexion with the proposal that I suggested as to amalgamation——

23,870. I should like to follow out this before you get to your proposal. I want to follow out the question of commercial convenience, and I want to ask you whether you think that the facilities afforded to traders would be in any way diminished in case of concentration?—I should imagine not. There is no change in the proposal of amalgamation that would effect the staff at the warehouses, or the staff at the ship's side; it is merely in the control of the necessary staff.

23,871. To a certain extent there is, because we might hope that the staff would be diminished?—In the event of these warehouses being concentrated.

23,872. That is what I mean, and the question I want to put is, Do you think that the facilities otherwise would be sensibly diminished by this curtailment of the staff?—To this extent, that a person who has rented a small warehouse and has been making a living of it would find it a very grievous thing to be deprived of that for the benefit of the country.

23,873. That applies to the officer himself?—To the warehousekeeper, the person who rents the warehouse. As a matter of Revenue convenience it would be certainly a very great advantage, but the warehousekeeper would object to it.

23,874. Then at the present time do not you consider that the merchants suffer from the difference in the interpretation of the Code by the two departments?—Very materially.

23,875. Very well. Would not they gain by the unification which would follow?—Theoretically, they would. In connexion with that suggestion I threw out as to the amalgamation, the use of the present legal and official terms, such as the "Customs" and "Inland Revenue" should be entirely discontinued from all departmental documents and accounts. Amalgamation would be merely on paper, unless the present designation of "Customs" and "Inland Revenue" were entirely discontinued.

23,876. (*Mr. Cleghorn.*) You mean that there should be one title for both?—One title, and the old titles should be done away with. The a malgamated Revenue Boards should be called the "Board of Revenue," the Commissioners should be called "Commissioners of Revenue," and the officers of the amalgamated Board "Revenue Officers" only; the term "Revenue" to include under sub-heads the present classification. Foreign spirits, wines, tobacco, tea, plain British spirits, beer, licenses, stamps, and taxes. As I have said amalgamation would be merely on paper without that. If you keep to the old names the departments would keep as distinct for generations as they are now.

23,877. (*Mr. Lawson.*) It could not be even on paper without it, I should say?—There are such things as amalgamation on paper.

23,878. (*Mr. Cleghorn.*) I thought you rather gave us to understand a few minutes ago that it would be a good deal more than upon paper?—Yes.

23,879. That it would be a reality in the point of economy?—In the point of economy, yes; and also as regards a fusion of the staff.

23,880. You alluded to the difficulties in working the Code; one can understand that these would arise immediately after the Code was formed; but are these difficulties not disappearing in the course of time?—They are not.

23,881. You get decisions upon one point after another, but when a similar case arises again you do not require to go again to the Board?—Yes, but it seems interminable; although the Code has been in force since 1885, there was no later than yesterday application to the Treasury, I understand, on the points of the Code.

23,882. Have you still as many difficulties in working the Code now as you had when it was first established?—Not quite so many, but still the same friction exists as to the rivalry between the departments.

23,883. (*Mr. Lawson.*) I gather from you that the differences in the interpretation by the Customs and the Inland Revenue multiply year by year?—The trade develops—the trade is very largely developing, and new traders want different things from the old ones—the old traders, perhaps, have been accustomed to the working of the Code, a new man comes in who does not understand the Code so well, but he wants something new under it.

23,884. (*Mr. Cleghorn.*) But a point having been settled by appeal to the Treasury, does that not stand for the future?—Yes, but perhaps there is a slight divergence from that point, and a man goes fresh again to the Treasury on this small point.

23,885. You mean that there are new points cropping up?—Cropping up every now and again.

23,886. Still, upon the whole the difficulties that you had at the first are diminishing?—Perhaps acquaintance with the Code personally lessens the difficulties, and also because they are not so very pressing as they were, although they are still always cropping up.

23,887. (*Mr. Lawson.*) Does a decision by the Treasury ensure absolute uniformity for the future?—On a point which they decide, the two Boards have to observe the decision.

23,888. But if there is the slightest difference of condition, then it does not apply?—The conditions vary so often.

23,889. If there is a small difference of condition it does not apply?—It does not apply, and it has to be brought up afresh.

23,890. (*Mr. Cleghorn.*) When you talk about referring to the Board, is it the Board at Somerset House, or do you communicate through the Comptroller at Edinburgh?—No, we do not communicate through the Comptroller at Edinburgh at all.

23,891. You write direct to Somerset House?—Direct to Somerset House. The Comptroller at Edinburgh is a relic of the old Scotch kingdom that still remains there. There is a similar one at Dublin.

23,892. Is he your superior in any way?—No, not in any shape or form. I may mention that the duties of Comptroller at Edinburgh was, until comparatively recent years, discharged by the solicitor to the Revenue at Edinburgh. I am not acquainted with the reasons of making it a separate office, nor am I aware of any practical necessity at the present time for maintaining such a separate department of the Revenue, either at Edinburgh or Dublin.

23,893. You also mentioned the rivalry between the two departments. Is not it possible that there may be advantages attending that, as well as disadvantages?—To the trade there is. I mentioned to you that the Warehousekeepers' Association voted for the rivalry because it would be for their benefit.

23,894. So that there must be advantages there?—To the trade, yes.

23,895. At that meeting that you referred, to where the amendment was carried, how many were present?—It represented the whole of the Warehousekeepers' Association of Glasgow, the whole of these 25 warehouses of the Customs and 25 warehouses of the Excise Departments.

Mr. D. M. Matheson.

22 Feb. 1889.

23,896. And how many of the merchants and firms would be included in those?—I am not aware of the number of members of the association, but they would be all representative men there.

23,897. So that the meeting would be a very important one?—A very representative one.

23,898. Any resolution they came to would be entitled to very considerable weight?—As regards their own affairs; but as I mentioned to you, one of the warehouse keepers under the Board of Inland Revenue moved for an amalgamation of the departments, with a view of diminishing the friction between the two departments. The other warehousekeeper who moved the amendment to keep the Board separate and distinct as the trade would benefit more from it, was a Customs warehousekeeper; and then on reasoning the matter out and listening to the argument, they all came to the conclusion that they would be better with the two Boards than with one—that the trade would get more benefit.

23,899. That was the conclusion they came to from their own point of view?—Yes, and that might, perhaps, from a Revenue point of view, be taken as the strongest argument for amalgamation.

The witness withdrew.

Mr. James Scott called and examined.

23,900. (*Chairman.*) You are collector of Customs at Glasgow, I believe?—Yes, I am.

Mr. J. Scott.

23,901. Does your district extend very much beyond Glasgow itself?—No, it is a river port; Greenock takes the lower part, and the Firth, and so we are quite a river port.

23,902. Then you do not include in your district Greenock?—No; Greenock is an independent port.

23,903. What is the staff that you have at Glasgow?—The out-door staff I suppose you particularly refer to?

23,904. Just take it generally?—With the clerks, 142 permanent officers.

23,905. How many of those are in warehouses?—In warehouses at the present moment there are 53.

23,906. Am I right in saying that you have about 24 warehouses?—We have 27. The tobacco warehouse is divided into two. Perhaps you could properly say, therefore, 26, because the tobacco warehouse has two stacks, one on each side of the street. Counting them separately they make 27, but if you call the tobacco warehouse one warehouse, then they make 26.

23,907. We are engaged, as I daresay you know, in inquiring whether it is desirable from any point of view to amalgamate the Customs and Inland Revenue Boards and establishments?—Yes.

23,908. What experience have you had elsewhere?—I have been at a great many places. I have served at 11 ports. I was last at Grimsby.

23,909. And you have been some time in the service?—Yes, I have been 40 years.

23,910. How long at Glasgow?—Nearly five years.

23,911. Therefore you have had a large experience of the Customs work?—Yes.

23,912. What is your view with reference to this question?—In my opinion it would not be advisable in the public interest to amalgamate the services looking at it from the public point of view. I could give you a few of my reasons for that.

23,913. We would like to have your reasons, if you please?—The Customs have so much work that is of a character of much interest to the public that it would be inconvenient to the public if they were not kept entirely independent.

23,914. (*Mr. Lawson.*) Would you explain a little further what you mean by "much interest"?—I could give you the particular heads that I refer to. There are so many things, such as quarantine and many other things, connected with the public interest that it would be well to keep the Customs an independent service and not to merge it with any other service, because if it were merged with another department and placed under an administration composed in part of Commissioners who knew little of these special matters, and who had no time for obtaining a knowledge of them, the change would not be to the public interest.

23,915. (*Chairman.*) Then your view is generally that if there is one board to administer Customs and Inland Revenue, it is not likely that the special subject of Customs would get sufficient attention from experienced men?—Yes. In cases of appeal to the board, if the board were composed partly of gentlemen, who could not go over this varied ground, it would be weaker for the public than having a board who thoroughly understood all the points, and who were trained to it for years.

23,916. (*Mr. Lawson.*) What do you mean by "trained to it for years"?—With experience, as our officers.

23,917. You said a board trained to it for years. How does that apply to a board who may be composed of gentlemen who have been introduced into the service late in life?—There will always be one or more members of the Board who have been Commissioners for years, some of them may have been at the Board for many years; and then there are the secretary, solicitor, and surveyors general of the Customs. At present Sir Charles Du Cane is the oldest member.

23,918. He was not a civil servant?—He is the oldest member of the board. By that I mean he has been the longest at the board.

23,919. (*Chairman.*) Perhaps you will kindly go on with what you have got to say, taking it in your own way?—Some of the points that I referred to that come specially under the Customs are the Copyright Acts.

23,920. (*Mr. Lawson.*) What do you have to do in connexion with them?—We act in the interests of the proprietors. We sometimes receive complaints that we are not strict enough in the interests of the proprietors of the copyright.

23,921. (*Mr. Maclure.*) That is by stopping American printed books and Tauchnitz and things of that sort?—Yes. Then there are the quarantine regulations and the public health in connexion with the local authorities.

Mr. J. Scott.
22 Feb. 1889.

23,922. (*Mr. Lawson.*) To what extent do you deal with the public health;—The quarantine. The Customs House appears to be, as it were, a gate, so that we have to see that diseases and other evils are not admitted. Then the landing of foreign animals. There is no body who could be an executive under the Privy Council to prevent the introduction of cattle plague except the Customs.

23,923. (*Chairman.*) Why not?—Because the Customs are on the quays; they are on the spot.

23,924. Why should not somebody else be on the quays besides the Customs?—Well, somebody else may.

23,925. We are now upon the subject of amalgamation. I do not want to cut you short, but we should all admit that whether there was an amalgamated service or not there would have to be special officers to do the work that you now do?—Yes, but here are our officers who are obliged to meet those ships for other purposes. You could not bring strangers down to our business of this kind to meet the ships and do the rummaging, and the passengers' business, and all that, and meet them on the quays.

23,926. (*Mr. Lawson.*) Are you on the quays?—We are on the quays.

23,927. Are you yourself on the quays?—Occasionally; visiting and inspecting.

23,928. Not regularly?—Not regularly.

23,929. Are any of the superior officers?—Yes, the surveyors.

23,930. No one higher?—No.

23,931. (*Chairman.*) I understand you are detailing the special duties which the Customs officers do with a view of showing that special knowledge is required in the Board and in the controlling officers above them?—Yes.

23,932. You have given us these special duties; of course there is rummaging and taking accounts at the ship's side, and statistical tables and light dues, and all the other subjects that you do?—Yes; and then there is the Foreign Enlistment Act.

23,933. You have also a good deal of work connected with shipping and landing and all that?—A great deal of work connected with shipping and with the ship-building yards all along the river for miles. Officers have to inspect when there is a war between two nations to see that there is nothing building for a belligerent Power.

23,934. (*Mr. Lawson.*) Who does that work of inspection; what class of officer?—The examining officers and the surveyors; the examining officers as a rule.

23,935. (*Chairman.*) I do not think we want too much detail upon that?—Then we have to deal with explosives.

23,936. All that work, of which we have got plenty of lists before us, requires a special knowledge and special experience?—Yes.

23,937. And you say that you think it is required to such an extent, that it is desirable that the controlling boards and the administration should be separate?—Yes; if it were not separate our whole service would soon bear the character of a branch to a trunk instead of being a trunk itself, and there might be a stoppage at the joining and an appeal to a head that knew nothing of the subject.

23,938. Will you kindly go on in your own way and give your reasons against the suggested amalgamation?—Yes. A great point, if I understand aright, but perhaps I may not say anything about that, is the convenience of merchants. That is a great point which, I believe, has been advanced.

23,939. Yes, we should like to hear you on that?—I am not aware that the merchants have moved in the matter at all. I have not seen that they have taken any interest in it. They merely look upon it as a departmental question; they do not seem to care about it; they seem too powerful, and think if anything took place that touched them they could take care of themselves; in fact, that they could stop it, so that they do not take much interest in it.

23,940. There are people, of course, who advocate amalgamation?—Yes, I know.

23,941. Let us take it for the present that it is advocated from the point of view of economical administration, that is to say, that the Government would save money by having a reduced staff, and at the same time it would be more efficient because there are various matters of control which would be improved. What have you to say to that?—I should be glad, if you will allow me, to take up the economical part of this. But first, I was going to say, upon the convenience to the merchants, that the Inland Revenue do not meet the merchants; they have nothing to do with merchants, they meet only the traders, some of them persons of very great influence and power, such as distillers and brewers, but still they do not meet the general mercantile body, not the exporters and importers of this country They come only to the Customs House; they do not know anything of the Inland Revenue.

23,942. (*Mr. Lawson.*) Is that in the case of tobacco?—Yes.

23,943. Why, there is the double duty; both Customs and the Inland Revenue have something to do with the levying of the duty on the tobacco; there is a double function, we will put it?—Yes.

23,944. Do not they meet the merchants in that case?—They meet the traders that have goods in bond with them to receive their duties; they do not meet them as importers at all; their dealings are with traders, many of them, I acknowledge, persons of large influence, such as distillers and brewers.

23,945. (*Mr. Cleghorn.*) You draw a distinction between the importer and the trader?—Yes. The general merchants, consignees of foreign goods, the shipowners, carriers, and agents, foreign consuls, wholesale merchants, manufacturers and exporters for statistical purposes, all have to do only with the Customs.

23,946. (*Mr. Lawson.*) What have you to do with foreign consuls?—A great deal.

23,947. In what way I want to know?—The foreign consuls represent the merchants and the agents for their countries. They take up the cause of the merchants that are interested in their countries, and they act constantly.

23,948. I know all that, but what I want to know is when and how do you come in contact with them?—We come in contact with them as representing their countries, and their merchants; we come in contact with them as regards bills of health. I have not had a note of this, but I think I could give a few instances.

23,949. (*Mr. Maclure.*) You would have more experience in that in Grimsby than you have in Glasgow, in coming in contact with foreign consuls?—Yes, many ships under foreign flags come to Grimsby.

23,950. I mean to say in reference to diseased animals, it is a part of quarantine?—Yes. I did not know the points you would take me upon, but I could get up a good many things on that head. For instance, if a sailor is taken smuggling, his consul takes his cause up most keenly. I had to do with the Greek consul in a case of this kind quite recently, and with any other nation it is the same.

23,951. (*Chairman.*) We are now upon the question to which you desired to keep yourself; the convenience of traders or merchants?—What I mean is that this vast business should be confined to a board with a sort of technical knowledge, and not to a board composed partly, probably chiefly, of Commissioners who knew little of it, and had no time to learn it.

23,952. Will you take your next point?—Economy. On this point of economy, I suppose I should confine myself chiefly to the bonded warehouse system; because there is no other point at which the two departments come in contact; they are entirely distinct, as distinct as any other two public bodies could be except at the point of the bonded warehouses.

23,953. A little more than that is said. It is said, for instance, to take Glasgow, it is quite conceivable that the one revenue officer could be the head of the whole revenue collection, both Customs and Inland Revenue?—I had not heard that that had been advanced.

23,954. It is said, moreover, that outside the work that is done under the code, under the warehouse system mainly, the respective duties of Inland Revenue and Customs officers could easily be learned by one or the other?—I can only say that there are many things in the Customs as to which there is in the Inland Revenue nothing in the least similar.

23,955. That is to say that your officers could easily learn Inland Revenue duties, and Inland Revenue officers could easily learn Customs duties in six weeks

or a couple of months, and if the duties were made interchangeable with one head it is likely that that centralisation would enable certain officers to be reduced, and that it would tend generally to a more economical administration. What do you say to that?—The whole of the Custom House officers at Glasgow are fully employed. If licenses were brought in and licenses were paid at the Custom House the licenses would be looked after and collected by a different body of men.

23,956. We are taking Excise now. Confine yourself more to Excise purposes?—With reference to the Excise work at breweries and distilleries, if the Custom House officers had time to travel to distilleries and breweries they could do the duty and assess the traders just as well as the Excise officers, I suppose, but the distances are great.

23,957. Will you take such a case as beer exported on drawback?—Yes, we do a great deal of that.

23,958. There is some difficulty, is there not, at Glasgow, with reference to beer exported to the Isle of Man. We have heard something of that?—There is a great export of beer from Glasgow; in 1887 there were shipped at Glasgow 88,528 barrels.

23,959. Is it the case that there is any sort of unnecessary duplication of work of which the traders or exporters can complain or do complain. Have any complaints been made to you?—I have never heard of any complaint except recently, when there was a complaint, which was thoroughly investigated, and we found the Customs had nothing to do with it, in which the brewer said the samples had been exchanged.

23,960. Who takes the samples?—We take the samples.

23,961. And they are analysed by the Inland Revenue?—British beer exported is analysed by the Inland Revenue; the Customs analyse imported beer. On exportation Customs have to see that it is really beer that goes away, and not water or something else.

23,962. You see everything that is exported, and of course you test everything?—Everything that is imported; we do not test the duty-free goods exported, but we do the imported.

23,963. From the point of view of the revenue, statements have been made to us by more than one witness, I think, that there is a rivalry between the two systems of administration which, however good it may be for the trader, is not particularly good for Her Majesty's revenue. It is not alleged on the side of one department more than the other, but it is alleged that there is a natural temptation to get trade and encourage traders by making things pleasant, is that at all within your experience?—I never heard of it before, and I am not aware of any instances of the kind. I could scarcely conceive such a thing.

23,964. You cannot conceive the possibility of a trader coming to you and saying, "Well, if you do not "make it a little easier for me in this way I shall "go to the warehouses of the other side"?—I never heard of such a thing.

23,965. You never heard of such a thing?—Never. I could not imagine such a thing.

23,966. (*Mr. Maclure.*) Not in connexion with facilities to the trader?—No; it is a matter of very little consequence to us; the heads of departments would put a stop to anything of that kind.

23,967. I did not apply it to the heads of departments, but I mean to say there are conveniences sometimes for an Inland Revenue warehouse over a Customs warehouse, and sometimes for a Customs warehouse over an Inland Revenue warehouse?—There was a very extraordinary thing took place at the time of the Treasury Committee of 1880 which might be worth mentioning.

23,968. (*Chairman.*) By all means give it, please?—At that time the warehouses of Glasgow were divided between the Inland Revenue and the Customs. The Customs were perfectly silent, and six of their warehouses were taken from them and put under the administration of the Inland Revenue, when some of them were considerably nearer to the Custom House than to the Inland Revenue Office; there are now 12 warehouses in Glasgow much nearer to the Custom House than the Inland Revenue Office, but the merchants have to repair to the Inland Revenue Office to do all their business.

23,969. It is evident that there is a rivalry between you and the Inland Revenue at Glasgow, at all events?—I do not know that it amounts to that. The Inland Revenue have been at Glasgow a little aggressive in the matter of warehouses. That is all I know of and on no other point.

23,970. There is a little difference of opinion, at all events, between you as to who shall be the proprietors of warehouses at Glasgow?—No; I was speaking on that subject generally, not as to Glasgow. It does not apply specially to Glasgow.

23,971. I am quite aware that it applies universally?—I will give you one or two instances.

23,972. Thank you. I do not think we require instances, because we have got instances with reference to London and Dublin and other places?—I might bring you one or two instances that, perhaps, have not been before you.

23,973. You do not agree with the statement that has been made to us that the desire to attract and keep traders satisfied with a particular department has been some injury to the Revenue?—I think it has been no injury to the Revenue. I could not imagine such a thing. I would never dream of such a thing in the Custom House, at any rate.

23,974. Have any difficulties arisen within your knowledge with reference to the interpretation of the Code?—Yes.

23,975. From the fact that the Code is administered by two departments?—The Code is very much an Inland Revenue book. We think we could simplify it very much and reduce the expenditure of the country very greatly by simplifying the Code and its accounts and its returns and bookkeeping.

23,976. There are difficulties which arise, are there not, in the interpretation of the Code by merchants and traders who have to export and import goods, and it is said there are much greater difficulties than need be, because two different boards interpret it; is there any friction in that direction?—No, I think not. We find few cases go to the Board of Customs; the officer there appeals to the surveyor, the surveyor appeals to the collector; we settle the matter amicably. There is very seldom an appeal to the Board. I only know of one appeal to the Treasury; it is now before the Treasury. It is a point on which I think the two Boards are quite agreed; but it has been a long time discussed.

23,977. (*Mr. Cleghorn.*) Have you only had occasion to appeal once to the Treasury to interpret this Code since it came into existence?—I think only once has it gone to the Treasury so far as refers to the Customs at Glasgow, and that case is now before the Treasury. It is a small point. I might detail it to you, but it would be tedious. With regard to warehouses at seaports I have noticed with reference to the question of economy, that it is a great advantage to have the warehouses in connexion with the Custom House on account of the Customs' touch with the ships. There are two or three points where that has been of great advantage, both for exports and for imports.

23,978. (*Chairman.*) But is it not the case now that, as a rule, the warehouses that are within reasonable distance of the ships are in the charge of the Customs?—Yes, that is the rule. Those that are near the water side, with very few exceptions, belong to the Customs, and those that are up town belong to the Excise. Where there is a large export of whisky, and when those large exportations of whisky are sent to the ships, the Excise have to send us accounts of them. Elaborate accounts are drawn up; they are called "despatches." If the goods came from a Customs warehouse, nothing would be required of that kind, because the ship's clearance would cover the transaction. From our warehouses we have no such document.

23,979. (*Mr. Lawson.*) Therefore there is a certain amount of labour which springs from the fact that there are a double set of warehouses and two sets of officers?—From the fact that the Excise have seaport warehouses.

23,980. Do you think it would be better in your hands?—It would avoid this labour.

23,981. In fact, you are in favour of a consolidation so far?—So far as the warehouses only. With regard to the imports the very same thing applies, or rather more as regards imports. We have several wine trading ships which arrive and discharge cargoes of wine and

Mr. J. Scott.

22 Feb. 1889.

brandy, and if the wine and brandy is removed into Excise warehouses, we have to draw out and give elaborate despatches to the Excise, which we do not require when the goods go to our own warehouses, because we have the landing officer's account on the quay.

23,982. (*Chairman.*) If your landing officer on the quay takes a sufficient account of the wines or brandies that are landed from the ship to satisfy that requirement of the Revenue, why should not that be made sufficiently legal to pass those goods into an Inland Revenue warehouse?—We are bound, I take it, to keep in our hands the original documents.

23,983. I should say you are both custodians of the public revenue and aiming at the same object?—Yes.

23,984. If wine and brandy are landed from a ship and are taken into an Inland Revenue warehouse as you say, why should not the same document that would permit those goods to go under bond into one warehouse be available whether you were in charge of warehouses or the Inland Revenue?—It is only certain consignments that come to the Inland Revenue, and we would be obliged to keep our accounts. Legal difficulties arise; our officers are sometimes called to the courts to produce our books to show whether certain goods were damaged or not, and we take it, therefore, that we should be obliged to keep our accounts ourselves. If we did not do what we do now, we should have to transcribe those accounts and send them on to the Inland Revenue.

23,985. You would have to transcribe the same thing, you would have to keep the same documents in, I will not call it the long room, but some such office of yours in Glasgow?—Yes.

23,986. Then if any portion of those goods is transmitted unto a warehouse, supposing it is in your own charge in Glasgow, you would send, would you not, to your officer there a copy of the account of those goods that were so to be transferred?—We should send to the officer at the warehouse the original account, the account of the officer on the quay, his book would go forward.

23,987. Then why should not you do the same thing whether it went to the Inland Revenue or to yourselves?—We should have to keep two books, one of them for the Inland Revenue and one for the Customs. And then there is the difficulty that the agent at the time he is putting his goods on the quay really does not know at first which they are to come to.

23,988. Then does your argument come to this, that the two warehouses in a particular district should be under one Government department?—If they are anywhere near a seaport town where the officers of the Customs are in touch with the ships.

23,989. And you would prefer that the Customs should have charge of all the warehouses in Glasgow without exception?—If it were so, it would be a public advantage; and there would be a large saving in money.

23,989*a*. (*Mr. Lawson.*) And convenience to trade?—A convenience to trade, I think.

23,990. (*Mr. Maclure.*) Take, not a great port like Glasgow, but where you were before, Grimsby. I believe in that place the whole of the warehouses are contiguous to the landing stages of the ships?—Yes, very close, and belonging to one company.

23,991. And belonging to the Manchester, Sheffield, and Lincolnshire Railway Company?—Yes.

23,992. Will you tell me whether there can be any fricton or any difficulty between the Inland Revenue and the Customs there because the whole of the property is under one ownership as you say, and the buildings are contiguous, and whether there would not be a greater economy in Grimsby if the two services were united?—I take it that the Inland Revenue at Grimsby is not a very large body. You would be creating a new office there if they came down to the docks.

23,993. Presuming the Customs should absorb the Inland Revenue, not the Inland Revenue absorb the Customs, would the Customs officers object to take the whole of that into their own hands and would they be able to do all that was required of the Inland Revenue. You have said that in quarantine and in certain other things the Customs do a certain amount of work?—Yes.

23,994. Presuming everything was amalgamated where would the friction be in a place like Grimsby or Hull?—At Grimsby there are a few breweries, and places to inspect and take the stock of the growing traders and there would be the licenses to take and the traders to look after. The same body of men could do that if they were instructed, doubtless, but I am speaking of the question of amalgamation only as far as the bonded warehouses were concerned.

23,995. (*Mr. Lawson.*) You are not in favour of keeping up the double establishment in such a place as Great Grimsby where one of the two departments has but a very small staff?—I do not know the staff of Inland Revenue officers there, but I think their work at that port could be taken over by the Customs.

23,996. Would you think that there is a distinct advantage to be gained in such a place from concentration?—Yes, and the concentration should be, I think, where the ships come in.

23,997. (*Mr. Maclure.*) Hull being practically the same, the Hull Dock Company, and the Hull and Barnsley having their warehouses there, would you apply the same thing to that town, would you say the two departments could be concentrated and united into one?—Possibly; I do not know the extent of the Inland Revenue work at Hull. The warehouses there are all under the Customs. There is the question of economy too, with regard to the experience of Customs officers. When goods are warehoused, that is after they are assessed for duty, the Customs officer has had them before, he has gauged the casks and he has weighed the goods and tared the fruit and all that before, so that when they come to the warehouse it is merely locking the door upon them. The Customs officer becomes extremely expert in the management of all this foreign merchandise, and I think on that ground alone you would work it with a smaller number of officers than the Inland Revenue could.

23,998. Having said that, as regards Hull and Grimsby there would be no practical difficulty, do you think, that there would be any material difference as regards Liverpool and Glasgow, in bringing about an amalgamation of the two, as I say, presuming the Customs was going to absorb the Inland Revenue, and not the Inland Revenue absorb the Customs?—If the merchants of the country, and the carriers and the consuls and those I have mentioned had access to the Board as they have now, and if there was not a very large element infused into that Board of Commissioners who did not understand all these matters, then I do not think the merchants would feel it.

23,999. And do you think that they might be amalgamated under those circumstances?—I never took up the question of amalgamation. I never thought very much about it, further than the bonded warehouses because the services and the duties seem so unlike in many of the duties of the Excise and the Customs excepting on the question of bonded warehouses.

24,000. (*Chairman.*) Obviously in bonded warehouses there can be no difficulty in putting them all under some one board?—No, the bonded warehouses might very well be put under one board, and I was arguing that in the case of those near the quays it would be better that they should be put under the Customs, but I was arguing it from a public point of view, not from any personal interest in the matter.

24,001. Do you think that the collector of Customs at Glasgow could undertake to be the one officer of Revenue for Glasgow?—I do not think so, he could do no more than he does now, except take money. He could take more money; he could take the money from all these bonded warehouses.

24,002. Have you many questions of difficulty to settle on the spot?—Yes, a great many, incessantly.

24,003. And much correspondence with the Board in London?—A great deal of correspondence, and the Custom House from morning to night is invaded by merchants, seamen, and masters of ships asking for advice upon points. The registry of shipping alone is a most important matter in our department.

24,004. Is all the work that you have, work that necessarily must be done by a head collector, or could you devolve some of it upon some one not so high in the service as yourself?—They would not be pleased if I attempted it. We do try that very often, but the public are not satisfied and are not pleased, but will wait outside my office for half an hour to see me.

24,005. The merchants want to see the collector of the place?—Yes, and each merchant of course thinks his

business of very great importance, and he will wait to see the collector himself, and I do not get this large correspondence I spoke of done till after the Custom House door is closed.

24,006. (*Mr. Lawson.*) May I ask whether you have large personal correspondence with the Inland Revenue officer at Glasgow?—No, the correspondence is little, not above a dozen letters a year. We confer with them upon seizures. Upon the adulteration of tobacco and the seizing of adulterated tobacco, I sometimes have a conference with the collector of Inland Revenue.

24,007. (*Chairman.*) Do you think, outside the warehousing system, but still keeping to the point of view of the public and the collection of the Revenue, that there is a little friction, to put it mildly, between the two Boards which might be got over in some way, and which it would be desirable to get over in some way?—I do not think there is any friction as regards the locality where I live, but you are speaking of the service, I presume?

24,008. I am speaking of Glasgow. Does it occur to you that the Inland Revenue might consult you more frequently than they do?—I do not think there are a great many points where they would have to do that. There are not a great many points where they touch us.

24,009. Then it is not within your experience that the Revenue suffers, or the public interests suffer, from a want of co-operation between yourself and the Inland Revenue officers at Glasgow?—I do not entertain that for a moment. I never heard of that before, and I do not give the slightest importance to it. I cannot conceive such a thing possible from a Customs point of view. I know that the Inland Revenue at the time that there was a committee in 1880 were a little aggresive in taking over those warehouses that were nearer to the Customs than to their offices. They were a little aggressive on that point, but there is no friction that I know of. We do not want to encourage traders to come to us. I think the great bulk of the traders like to come to us; they prefer to come to us.

24,010. You would probably be surprised to hear that the Inland Revenue take the opposite view, or rather, they say the great bulk of the traders prefer to go to them, but let us leave that out of the question. It is said that there are many places in the country around the coast where there exist collectors or officers fulfilling the duties of collectors at small places who might very profitably do some Inland Revenue work, or *vice versâ*; in fact that there were some places where you require an officer of standing and position who might be competent to control and manage subordinates for the collection of the Revenue generally, not only Customs but Inland Revenue, what do you think of that?—I think there are some still left, but of late years they have been very much reduced.

24,011. What do you mean by reduced; has there been an amalgamation of work. Are there many moderate ports and places round the coast where the Customs officers do work for the Inland Revenue to an increasing degree, is that the practice at all?—No, I think not.

24,012. If it is not the practice, could it be in your opinion?—I think it could be, but of late years there has been a very great reduction in that kind of office that you mean. A lower class of officer has been placed there and the reductions have been very great. The Inland Revenue have taken the Customs bonded warehouses at those small ports. The Board of Trade work, which was considered at one time to be very important and requiring an officer of a higher status than they have now discovered is necessary, has caused these places to be reduced. They are very much reduced, they have got to a very narrow compass, but still I think that a good many of the things in their immediate localities they could take, but if that question had been taken up in the year 1880, before these reductions, when there were collectors at a great many more places than there are now, they might have been made very useful.

24,013. Do you think anything could be done in that direction now?—Yes, I think a good deal could be done now.

24,014. One part of the argument of those who desire amalgamation, and I am not arguing the question or expressing a view one way or the other now myself, is that if there was an amalgamation, officers of certain rank in the service would be available to take the places and to perform the duties which are now done by collectors of two small towns not very far apart; and we have been told, for instance, that this is the case with respect to Folkestone and Canterbury, that the Inland Revenue man could come from Canterbury to Folkestone, and with practice he could be the collector at Folkestone?—Owing to Folkestone being a packet port with two passenger steamers a day, and large quantities of passengers and goods being landed there, questions requiring to be promptly dealt with frequently occur, and in my opinion the head officer if at Canterbury would be too far away.

24,015. You said you did not think it could be done at Glasgow, but do you think that at Folkestone, or ports of that size, one officer of revenue could do all the controlling and necessary work, and responsible work for collecting the revenue of a given district round there, whether it is Customs or Excise?—Yes, but I must say that the Custom House establishment at many of the smaller ports has been reduced to a minimum.

24,016. I am not referring either to one or the other existing offices, the point I put to you now, is whether the existence of the two establishments is necessary on the same place?—There is a good deal of the work that might be done by one officer.

24,017. (*Mr. Lawson.*) Then you not consider the officers' time at present is fully taken up with their statutory duties?—There have been so many reductions lately, that I think you will scarcely get an officer who has not quite sufficient to do. If the question had been taken up in 1880, before the changes, then the Customs could have taken up a good deal of the work referred to.

24,018. (*Chairman.*) I understand you to say there is still room for reduction?—In my opinion there is very little room for further reduction.

24,019. Then I understand that you do not think that there is anything so intrinsically different in the work of the two departments as to make it impossible for one head to superintend the two?—That they could be educated the one to the other I do not doubt, but still there are a great many points on which there is absolutely no similarity.

24,020. Let me go back again to Glasgow and take your own work. I suppose you necessarily cannot know very much of the work of the collector of Inland Revenue at Glasgow, but so far as you do know what he does, if you leave out of the question the amount of work and think only of the character of it, should you find any difficulty in taking over the whole of the revenue work of Glasgow to-morrow, or say in two or three months. I do not mean yourself personally, but a man in the position of collector of Customs at Glasgow?—I am obliged to say that my office is such a very heavy one that I could not take over anything more.

24,021. (*Mr. Cleghorn.*) You could not take over anything more?—Except the collection of money.

24,022. (*Chairman.*) Excuse me, I want you to confine yourself to my point. It is not the question of the amount of work, but the nature of it. Supposing the amount of trade done by your merchants was diminished unhappily by one half or more, so that half of your work was taken away from you so far as regards the amount, do you think that any person in the position of collector of Customs at Glasgow could take over the Inland Revenue work so far as the kind of work was concerned. Not the amount?—Owing to the varied nature of the duties of officers of Customs, and the little resemblance in most of them to the duties of Excise officers, it would, in my opinion, take the latter a long time to learn the Customs work, and those of them who are advanced in years would probably never be able to acquire a knowledge of that work sufficient to be of use in practise.

24,023. Have you any other point that you would like to put before us?—There is the question I referred to of the convenience of merchants. My impression is that merchants would not like amalgamation, but I think you said they rather wished it.

24,024. I do not know that I have said that?—My experience would be the other way. I think they have preferred the Customs. As regards the merchants

Mr. J. Scott. 22 Feb. 1889.

they do not come into contact with the Inland Revenue. They know only the Customs. I think the amalgamation would not be at all popular from their point of view, because of the danger that the Customs might merge into an establishment that knew nothing about their work.

24,025. What is the amount of revenue that you collect?—Over 1,000,000*l.*, taking in the duties which we collect for the Excise. Our own Customs revenue does not amount to 1,000,000*l.* We collect 208,656*l.* of Inland Revenue money, and the grand total in 1888 was 1,074,872*l.*, which was an increase of 60,000*l.*

The witness withdrew.

Adjourned till Wednesday next at 12 o'clock.

SEVENTIETH DAY.

7, Whitehall Place, S.W., Wednesday, February 27, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

MR. A. S. HARVEY.
MR. R. W. HANBURY, M.P.
MR. H. L. W. LAWSON, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

Mr. ROBERT USHER called and examined.

Mr. R. Usher. 27 Feb. 1889.

24,026. (*Chairman.*) I think you represent the Scottish Malt Distillers Central Association?—Yes.

24,027. That is to say, you represent traders in all parts of Scotland who belong to the association?—Yes.

24,028. We have received a letter which was handed on to us from the Chancellor of the Exchequer last October, saying that your association desired to express their views about the question of amalgamation of the Customs and Inland Revenue; and we are glad, therefore, that you have been deputed by them to come and give their views to us. I do not know whether you have prepared a memorandum?—I have written out a few things for my own guidance.

24,029. This letter states that there is "inconvenience "as well as trouble and delay occasioned to the trade "by the Excise and Customs Departments being carried "on as at present, not only in different offices, but "under different regulations and officers"; and the letter suggests "that if the departments were combined "great advantage would ensue both to the Government "and to the trade." Perhaps I had better ask you if you would state what inconveniences and delays you suffer from?—I will give you some of these instances; of course they are merely instances that have turned up in the ordinary way of business. If whiskey is sent away, we will say, from Edinburgh to Glasgow, the Excise have to send a despatch to the Glasgow Customs about that whiskey.

24,030. You mean for export?—For export, yes. If by any chance that despatch is not delivered to the Customs in Glasgow, they can refuse to allow shipment until the despatch arrives from the Excise in Edinburgh. We have no control over that document whatever, and yet our goods may miss their ship and miss their market on account of the Excise having made a mistake, or the Customs having made a mistake, or the Post Office having made a mistake.

24,031. Supposing that there was one department, how would you get over the difficulty of a despatch failing to arrive in due course of post, because that is what it is, is it not?—The collector at present has power to allow us to ship on what is called the permit, the document that goes with the goods.

24,032. The collector of Customs of Glasgow?—Yes; but he may refuse to allow us to ship on the permit. As a matter of fact recently we had a good many cases of the despatch from no fault of ours, of course, going amissing, and the collector wrote to us to say that if the matter were not put right he would refuse to allow us to ship the goods on the permit in future. Now that is an extremely hard case for us. The difficulty with the two departments is, that you cannot put your finger on anybody. If you ask the Excise to investigate the matter, they are prepared to show you in black and white that the despatch was sent off. If you ask the Customs, the Customs are prepared to say it was not received; and they both agree in blaming the Post Office; and yet for a matter which we can do nothing to prevent, we cannot even investigate it, we must miss our ship, and perhaps miss our market.

24,033. Suppose that you, having goods to send from Edinburgh to Glasgow for export, were handed the permit from the Excise at Edinburgh, do you want that permit to accompany the goods, so that the Customs could take that permit as an authority?—The question is not about the permit. The permit goes with the goods.

24,034. Then, I understand, that notwithstanding the fact that the Customs officer at Glasgow has the permit, something more is necessary?—Yes. What I call the despatch, which is sent by post.

24,035. Can you explain what the object of that sort of double permit is?—This is the official document that they require to allow the agent in Glasgow to pass papers for the shipment.

24,036. (*Mr. Harvey.*) Would not they require that in the same way if there were one department only?—Yes, they would; but then what I say is that you would be able to find out who was to blame. At present you cannot do that.

24,037. (*Chairman.*) Does not it occur to you that the despatch might possibly go with the permit. Do you think that it is necessary to have two, and that the consignor of the goods who sends the goods, who, I suppose, is responsible for the arrival of his own goods, should be responsible also, as it is for his own convenience, for the delivery of the permit and of the despatch to the officer at Glasgow?—That, perhaps, might be so; but what I wished to show was that here was a difficulty that is occurring, and we cannot, as at present arranged, find out who is to blame; and we cannot get redress.

24,038. (*Mr. Hanbury.*) But you say that both departments lay the blame on the Post Office?—Yes, they agree to do that. It is the only way out of the difficulty.

24,039. Could not they do that even if they were amalgamated?—No; because we would be able to write to one Board, and it could be looked into.

24,040. (*Mr. Harvey.*) That is the point I want to emphasize. I want to see how your complaint has any relevancy on the question of amalgamation. Why do you think you would be better off in this particular matter, supposing there were one amalgamated Service instead of two?—Because they would not be able to shift responsibility. You see both the officers in Glasgow and in Edinburgh would be amenable to one head; and if there was anything wrong as between Edinburgh and Glasgow the heads of the department in London

would have to see that it was put right; and they would.

24,041. (*Chairman.*) Have you had occasion to write to the Board in London about the inconveniences and delays so caused when you sent whiskey for export?—We have written to the collectors in Edinburgh and Glasgow on the subject. I am not prepared to say at present whether we have written to London.

24,042. You have not carried it up to the Board?—I cannot say that.

24,043. (*Mr. Hanbury.*) But has this happened often?—It has not happened so often recently.

24,044. How many cases have you had in the past year?—Well, it was of such frequency at one time that the collector pointed out that there were three cases in one week.

24,045. Confine yourself to the last year, for instance, how many have you had?—Really I cannot answer that.

24,046. Have there been any in 1888?—I think so.

24,047. You are not able to quote any. You cannot say whether there have been half a dozen, or 20, or 50?—No; but I say that at the time the collector wrote there were three in one week.

24,048. When was that?—I think about the beginning of last year; I can easily send you his letter.

24,049. (*Mr. Harvey.*) But you never felt the grievance so much that you thought of representing it to the Board itself?—Which Board should we represent it to?

24,050. Both, or the Treasury, if you like. You did not, as a matter of fact, appeal to head-quarters?—No; because our goods were never actually stopped; but they have the power to stop them.

24,051. (*Chairman.*) I understand this letter rather to state, and I thought I understood you to say so yourself, that in many cases the delay in the shipment is so great that shipment by the vessel intended may be lost altogether?—It may be.

24,052. Of course that would be a very serious thing for the trade?—It may be, if, for instance, after the collector's letter the next shipment of goods that we sent to Glasgow had come without the despatch, the collector would have refused to allow these goods to go on board.

24,053. (*Mr. Hanbury.*) Yes; but has that ever happened?—Not in my experience. There are some other matters that I might mention. The other day we sent 500 cases and 50 casks of whiskey to Glasgow for shipment.

24,054. (*Chairman.*) You are illustrating the same point now, are you not?—The same thing. The day after we had sent them off we received a telegram from our agents in London to stop the goods. They were not to go to the person to whom it was originally intended they should go. The day after that we had 2,000 cases going to the same ship for the same port, but for a different customer, and, consequently, they were differently marked. We thought it was a very simple matter to utilize the 500 cases to help to make up the 2,000; but the Customs said that they could not allow us to change the marks of the 500 cases that were in Glasgow unless the Excise in Edinburgh sent a fresh despatch with the new mark upon it. The Excise in Edinburgh said the matter was through their books; they could not change their despatch; but they thought the Customs might have allowed them to go as they were. The consequence of that was that we had to send the 2,000 cases from Edinburgh all the way, and put the 500 cases into a warehouse in Glasgow, where they are lying yet. We have such a number of these small instances; taken by themselves I do not think they are very much; but if you have a number of things like that becomes a matter of importance. For instance, there is a case that I myself have written no less than 18 times on within the last three months. It is as follows:—Eight cases of whiskey were sent off from Edinburgh to St. Katharine Dock in London. By some mistake of the agent in London—the agent of the man to whom we had sold the cases—the address was altered, and the cases were forwarded to Queenborough. We did not know anything about this, but we received a telegram from the Surveyor of Customs at Queenborough asking us to send a fresh despatch to that port. We asked our Excise officers to do that, and they sent what they called a duplicate to Queenborough; the original despatch had come to London of course. We thought that the matter was in order, and that the cases were all shipped; but a month afterwards we received notice from the Excise, in Edinburgh, calling upon us to pay duty upon the cases which had not been delivered to their ship.

24,055. In London?—In London. We said that there must be some mistake; that the cases had been shipped so far as we knew, from Queenborough, but that the Customs there had omitted to advise the collector in London; and we wrote to our agents to ask if this was the case. Our agents replied that the goods were still at Queenborough, and that the surveyor there had refused to allow them to be shipped unless a fresh despatch was sent from Edinburgh. We replied that a fresh despatch had been sent from Edinburgh, and that there was nothing more to be done, we thought. It is a very long story. As I say, we have written 18 times. We have written to the collector of Customs in London; to the surveyor at Queenborough; to the collector of Excise in Edinburgh; and we have had 14 or 15 communications with our agents in London; and the cases are still lying at Queenborough, and we cannot get hold of them; and we have had to pay duty in Edinburgh to the Excise on account of the cases not having been produced at the Customs.

24,056. (*Mr. Hanbury.*) Did not they receive the duplicate at Queenborough?—I do not know. We cannot find out.

24,057. How would you be able to find out any better if the Excise and Customs were amalgamated? I mean to say there might be carelessness, even under amalgamation, I take it?—Yes; but then when you do have a difficulty you can go to one head. For instance, here is a case, I think, that will elucidate that. We imported a cask of rum once, and it was gauged by the Customs upon landing, and it was gauged to contain two gallons too much. We never found this out until after paying duty upon the rum. We sent the empty cask to our distillery to be filled with whiskey. The Excise have a very correct method of gauging. They simply weigh the cask first, and weigh it after it is filled, and they can tell you exactly what is in the cask. Well, they found that the cask would not contain within two gallons of what it originally had been said to contain, and that therefore we had paid duty on too much rum. As we had originally paid the duty to the Excise we wrote to the Board of Excise to remit it, to give us it back. The Board of Excise said, No; the matter is in the hands of the Customs; and so we had to write to the Customs. We hammered about that for four months, and we got back the duty in the end, but this sort of oscillation you know was going on.

24,058. (*Chairman.*) You admit, of course, that the mistake in gauging, which is much more difficult in the case of goods on import, might have occurred whether it was the Customs or the Excise that had charge of it?—Yes, certainly.

24,059. But that mistake occurred, and you give this as an instance of the circumlocution arising from the fact of there having been two offices, two heads?—Yes. Then I have another case, of somewhat the same character, Messrs. Bulloch, Lade, and Company in Glasgow, were under the Excise, and when the increase of duty was put upon wine last year they found that the Excise were charging the increase of duty upon wine which had been imported before the 10th April, cheap wine under 20*s.*; whereas the Customs were allowing that wine to be paid duty upon at the old figure without the sur-tax. They wrote to the Excise Board upon the subject and pointed it out to them, but they had to continue paying this extra duty for a considerable time, and it took them six months correspondence with the Board of Excise to get this duty back which had been wrongly charged. The explanation of that is that the two Boards have to consult each other, and the Customs originally had a note of the value of the wine, and it was very difficult to get the necessary proof from them. At present there is great difficulty in Edinburgh in getting what is called bonding accommodation warehouses. Edinburgh is under the Excise, but Leith is under the Customs. Of course there are Excise warehouses in Leith too, but principally Leith is under the Customs, and Edinburgh is under the Excise. We cannot get any more bonding accommodation in Edinburgh, which is some 2½ miles distant from Leith, because there is sufficient Customs bonding accommodation in Leith, do you see. The Customs say, "We "are not going to give up any of the bonds in Leith." There is room for 3,000 casks too much in Leith at present, and there is not room for what we want to

Mr. R. Usher.
27 Feb. 1889.

store in Edinburgh; but because there is sufficient Customs room in Leith they refuse to allow the Excise (because they have both to be consulted in this matter) to grant any more bonding accommodation in Edinburgh.

24,060. But supposing the Excise or Customs, either one or the other, had the management and the control of all the bonded warehouses, both in Edinburgh and in Leith, might not the same difficulty arise, that they would be unwilling that they should have some of their bonded warehouses at Leith standing empty?—I think the probability in that case would be, that the Excise would close some of them in Leith. At present, of course, the Customs do not like to curtail their importance in Leith. That is my opinion.

24,061. Then any regulations which would obviate that difficulty in the way of compelling the proper distribution of bonded warehouses would be sufficient, would not they?—Yes.

24,062. It would not be necessary to have one Board for that, would it?—No; it is not absolutely necessary.

24,063. Probably you would say that a great many difficulties which arose from the different management of bonded warehouses in former years have been got rid of by the process of amalgamation of the bonded warehouses, that has been going on?—Yes, I think so.

24,064. (*Mr. Hanbury.*) How long have the Customs warehouses at Leith been too large for the work of the Customs?—That I cannot say.

24,065. Do you mean to say that it is only a temporary thing, or has it been going on for some time?—No; it is not a temporary thing at all.

24,066. How long have the bonded warehouses in Edinburgh been too small for the work of the Inland Revenue?—I should think for the last three years. Of course I do not know intimately all the warehouses in Edinburgh.

24,067. (*Mr. Harvey.*) Has any complaint ever been made on that score to head-quarters?—There have been attempts made to get larger bonding accommodation in Edinburgh, new bonds. new warehouses.

24,068. What form has that agitation taken?—A man makes an application to the Board of Inland Revenue, in London, to allow him to put whiskies in a certain warehouse; and the Board just writes back to say that it is sorry it cannot allow it.

24,069. Then that man has not written up to them and said, "Why cannot I get this spare room at Leith?" There is no action of that sort taken?—No, it has never been pointed out in that way. The Board does not probably give its reason.

24,070. (*Mr. Hanbury.*) But would Leith be always convenient for the Edinburgh people?—It just means that when you buy whiskey you have to cart it five miles more than you would otherwise need to.

24,071. (*Chairman.*) Your letter refers also to the case of lost whiskey in transit?—Yes; I believe that the regulation on that subject is, that whenever whiskey has been found to have been lost in transit, notice should be sent immediately to the consignor, to the man who has sent off the whiskey. The Excise do give this notice immediately, the Customs do not; that is a discrepancy.

24,072. The letter states "the Customs still decline "to comply with this reasonable request;" that is to say, of informing the consignor of the loss of his goods in transit; "and the result is, that at the end "of months, it may be, the consignor may find that "he has been debited with the duty on deficiencies in "transit, for which, had he been timeously informed, "he might have claimed a relief from the carrier"?—Yes.

24,073. (*Mr. Hanbury.*) What do you mean by "deficiencies," that a whole cask has gone; or only that a portion of a cask has gone?—A portion of the cask.

24,074. Take, for instance, the rum in casks for the Navy, we know that that disappears from the cask after a few months, and we are told that it is the nature of the rum in casks in the Navy to disappear to a certain extent. I want to know whether that accounts for the disappearance of the whiskey?—It has either been stolen on the railway, or, owing to bad treatment, it has run out. That is all.

24,075. (*Mr. Harvey.*) Leaking?—Leaking; but then the difficulty is that if we do not get prompt notice we cannot go and claim this six months after from the railway company, and complain that the cask sent by them was found to be leaking.

24,076. (*Chairman.*) The Customs at present do not give as quick notice of that as the Excise do?—They do not.

24,077. If the regulations were made identical in the two cases, of course that would get over that difficulty so far as it goes?—Yes. Then we think that the Excise arrangements are more simple than the Customs.

24,078. Are you referring now to arrangements in the warehouses?—Yes, in warehouses and in working.

24,079. Would you give us a concrete instance to explain how it is?—Yes; if one wishes to pay duty upon a cask in a Customs warehouse, you have to go down to the Custom House with your papers and get them certified and passed there. Then you have to go and get a locker to come and open the warehouse; then you have to go and get a gauger to come and gauge your cask, and after that is done, you have to take your papers back to the Custom House to pay duty. In the Excise, you simply pay duty at the warehouse; instead of all this running about, you pay duty at the warehouse, and, of course, it is a very great saving of time.

24,080. Are you taking the case of goods imported?—Yes, but it does not matter.

24,081. In both cases goods imported?—Yes.

24,082. But in the one case taken to a Customs bonded warehouse, and in the other to an Excise bonded warehouse?—Yes.

24,083. Supposing it to be identically the same class of goods?—Yes.

24,084. In the case of the Customs, I understand you to say it is very inconvenient not being able to pay the duty in the warehouse, whereas in the Excise warehouse you can pay the Custom duty in the Excise warehouse itself?—You can pay the Customs duty.

24,085. It is a Customs duty I am talking of, goods imported. Are they ever taken to an Excise warehouse?—Yes; but the duty is paid to the Excise.

24,086. It is paid to the Excise on behalf of the Customs, is it not?—I do not know.

24,087. I thought that I had made it clear that I was asking you to direct your attention to a consignment of foreign goods consigned to you upon which you have to pay Customs duty, wherever it is paid. Could that consignment go straight into an Inland Revenue bonded warehouse for your convenience?—Yes.

24,088. Then when it is there you have to pay Customs duty upon it in the same way, or to give the bond for the duty in the same way as you would if it went into a Customs warehouse?—Yes.

24,089. But I understand the difference is, that in the case of the Customs, you have to go to the Customs to pay it; whereas, in the case of the Excise, you can pay it in the warehouse itself?—The difference being that the books of the Customs are kept at the Custom House, and the books of the Excise are kept at the warehouse.

24,090. At each warehouse?—Yes.

24,091. (*Mr. Harvey.*) Who is the official at the Excise warehouse to whom you actually pay the money?—The officer in charge.

24,092. Is there not an officer in charge always capable of receiving the money at the Customs warehouse?—They do not do it, because the officers at the Customs warehouse do not keep the Customs books. They are all kept at the Custom House.

24,093. (*Mr. Hanbury.*) The inconvenience that you mention is a detail of practice which might be remedied by the Customs, whether there is an amalgamation or whether there is not?—Yes, of course, everything could be put right, I dare say; but as a matter of fact that is how it stands; and it just means a terrible waste of time.

24,094. (*Chairman.*) Is that of frequent occurrence in your trade and the transactions of those whom you represent?—Yes; in Leith, where I served my apprenticeship, it used to take me generally about a day to do anything.

24,095. Has it been suggested to the Customs that there might be some simple way of getting over this difficulty, and to prevent all this going to and fro?—I do not know.

24,096. You have not made representations?—No, we have not. Our firm is under the Excise. We had a Customs warehouse at one time, but we do not have it now.

24,097. (*Mr. Hanbury.*) But still you say the practice is one of some standing; it has been going on for some time, and has caused inconvenience?—It is always the way.

24,098. (*Mr. Harvey.*) But you say there is a widespread feeling about the inconvenience?—I will say that everyone I have spoken to on the subject says that he would prefer being under the Excise to being under the Customs.

24,099. (*Mr. Hanbury.*) That is to say he prefers the system of the Excise to the system of the Customs?—Yes.

24,100. (*Chairman.*) Have you experienced any difficulties from the different modes of interpreting the Code by the officers of the respective Boards?—We had a case in Liverpool the other day which caused us a great deal of trouble. We sent old whiskey to Liverpool, for bottling in bond there, in ships stores by our customers. Towards the end of November we sent a good deal to various customers. Those customers used a warehouse called Yates' bond. We were very much surprised, after the whiskey had been away from our keeping for some time, to receive letters from those people who used Yates' bond to say that the Surveyor of Customs there would not allow them to put a label on the bottle stating that the whiskey was old, unless it was proved to his satisfaction that the whiskey was three years' old. The whiskey was matured whiskey, without any doubt. We thought that this was a step that ought not to be allowed. We thought that he ought not to be allowed to take this upon himself without showing his reason for it, and we promptly wrote back to our customers to ask the Surveyor to give them the regular tion under which he was acting. The Surveyor did not say anything, except that he would not allow them to go on with their work, and our customers wrote in a great state of excitement to us to give the required evidence. We said that we would not, and we wrote to the Board of Customs in London, asking them three distinct questions: asking if their officer was in order; if he was in order, what regulation he was acting under. He had written, but this is a point that is worth noticing, he had written to our Excise officer in Edinburgh a memo. asking them for proof that the whiskey was three years old. Our Excise officers asked if we would like them to reply to this memo., because they would not do it unless we specially requested them. And the reason was rather interesting. The reason was that the Customs officer in Liverpool, if he had any communication to make about the whiskey, should have written to his Board in London, who should have communicated with the Excise Board in London, and the Excise Board in London should have written down to their collector in Edinburgh to make the necessary inquiry to enable them to give the information. We said, very well, we do not wish you to reply to this memo., and the memo. was never replied to, but we wrote to the Customs Board in London on the subject, and we got a reply after a week, after telegraphing for the reply, to say that under regulation so-and-so the officer was in order. We pointed out that that regulation did not authorise the officer to name how many years old the whiskey was to be, and repeated our inquiries. In the end the Customs applied to the Excise to make the necessary inquiry in Edinburgh; and after a delay of a month, during which our people in Liverpool were delayed in the conduct of their business, and a most tremendous amount of correspondence, we got a telegram from the Customs to say that the labels would be allowed to be put upon the bottles, and the whole matter fell to the ground. Now that was a case where a Customs officer interpreted a regulation entirely wrong, entirely in an opposite sense to what the Excise had; because we were bottling about 1,500 dozens a week of the same whiskey in Edinburgh, and putting exactly the same label on.

24,101. (*Mr. Hanbury.*) And where the Board backed him up?—The Board backed him up at first.

24,102. (*Mr. Lawson.*) Did I understand you that you had to telegraph to London a week after to get a reply to your letter?—Yes.

24,103. But you had written?—We had written.

24,104. And then you telegraphed?—Yes; that is so, we generally do that.

24,105. (*Chairman.*) This whiskey was sent out from your distilleries in Edinburgh, or in Scotland, to Liverpool, with a label upon it, "Old," which label had been authorised by the Excise?—Not exactly. It was sent in casks to Liverpool.

24,106. But the casks were marked with the label "Old," I suppose, that was the description on them?—We do not label the casks. The cause of the whole mistake was originally a mistake in the despatch of the Excise; the cause of the whole business was, the whiskey was old, but it had been blended immediately previous to being sent off, it had been mixed together. Various whiskeys had been mixed together immediately previous to being sent off; and there is a column in the despatch which is headed "Date when originally warehoused." Now the Excise people, instead of correcting this heading, and saying "Date when blended," or "Date when re-warehoused," just left it standing as it was, showing the day before yesterday to be the original date of warehousing, and of course it puzzled the officer in Liverpool; but the point was that he had read the regulation entirely different.

24,107. (*Mr. Harvey.*) That is evidently an error that may happen anywhere. How would that have been obviated now, supposing you had only one service instead of two?—I would suppose that one Board would instruct its officers in a similar way.

24,108. (*Chairman.*) But it would appear as if the officer of Customs was right, and that the despatch of the Inland Revenue which gave the wrong heading was wrong; because they could not call whiskey "Old whiskey" that had been put into bottles the day before. It should have been "Blended the day before"?—He was right, so far as there being a regulation which was in force until recently, but which was cancelled the other day; a regulation which says that officers of Customs and Excise are to see that no labels bearing a misrepresentation of facts are used. He was right in that; but he was wrong in attempting to fix a standard; he had no right to do that. He could have told that the whiskey was old if he had tasted it; and again the strength would tell him.

24,109. Then what should he have done. Either he, or whoever was the responsible officer at Liverpool, should have written back to you according to that, should he not?—I do not know. I think he was just stretching his powers.

24,110. (*Mr. Harvey.*) Given the error made by the Inland Revenue authority, you do not demur to the Customs officer raising the question he did?—No, I only found out that there was this error of the Inland Revenue at the very end of the case.

24,111. What I want to get at is, wherein do you think that the Customs officer was wrong?—In fixing the age.

24,112. (*Chairman.*) In saying that it must be three years?—Yes; that was entirely beyond his powers there.

24,113. Is there an acknowledged definition, may I ask, of old whiskey, in the trade?—There is nothing acknowledged. We thought it was rather an important thing that there should not be. Lots of people think that whiskey is not fit to drink until it is 10 years old; and other people think that it is quite fit to drink within two years.

24,114. (*Mr. Hanbury.*) This evidence has been to show that the two Boards interpret the regulations differently?—Yes.

24,115. Do you maintain that the Excise Board interpreted this regulation differently from the Customs?—No, not the Board.

24,116. (*Mr. Harvey.*) Still I do not quite see now what your allegation comes to against the Customs officer?—The allegation is that he was acting beyond his powers.

24,117. (*Mr. Hanbury.*) You do not go so far as to say that even the Excise would have taken a different view of the regulations?—Oh, yes, because we bottled the same whiskey under the Excise, and we have done so for years, and always put on the label that he objected to.

24,118. (*Mr. Harvey.*) Our point is that, given the error made in the despatch by the Inland Revenue

Mr. R. Usher.

27 Feb. 1889.

authority, any other officer at the other end would be justified in raising the question he did, whether he was a Revenue officer or a Customs officer. We are only interested in these complaints in so far as they bear upon the question of one or two establishments?—Yes. He would have been justified in raising the question, although not in the way it was done.

24,119. (*Mr. Lawson.*) I understand you to say that he was acting beyond his powers in defining the term of years?—Yes, that is so.

24,120. Therefore he was not carrying out his duty, admitting the mistake in the first place of the Inland Revenue?—That is so.

24,121. He was going beyond the sphere of his powers?—Yes, he was going beyond. He would have been right practically if he had tried to find out whether the whiskey was matured whiskey; but he was entirely wrong in trying to force our customers to declare that it was three years old.

24,122. (*Mr. Harvey.*) That is an allegation that a particular Government official exceeded his powers; but do you mean to allege that that happened because there are two services instead of one?—No. What I was asked just now was could I give any instance where the two services differed; and I thought this was an instance.

24,123. (*Chairman.*) Still, in that case the only information that the officer at Liverpool had was information which, on the face of it, was incorrect?—Yes.

24,124. (*Mr. Lawson.*) At the same time, granted that, he had no right to have gone so far as he did?—No; he was going too far in any case.

24,125. (*Chairman.*) Is there any other point in reference to those regulations that you wish to put before us?—No.

24,126. (*Mr. Hanbury.*) What made the Customs Board change its mind ultimately; because you say that at first they backed up their official, and then they altered their view?—They applied to the Inland Revenue to make inquiry in Edinburgh and to satisfy them, I understand.

24,127. (*Chairman.*) Then probably the Inland Revenue satisfied the Customs that this whiskey was identical with that whiskey which you were accustomed to treat in the same way, and which really was matured whiskey?—Yes; but the point, of course, is that our customers were kept waiting for a month, and I think we had an average of two letters a day during the time that was going on.

24,128. If the same mistake had occurred in the transmission from Edinburgh to Liverpool under one Board of Revenue, do you think that there would have been that amount of correspondence?—I think not.

24,129. You think the mistake would have remedied in a quicker and more simple manner?—Yes.

24,130. Is it your experience at all that in Edinburgh and Leith, where I understand you to be particularly, there is any want of harmony in the working between the officers of the respective Boards. It has been stated generally to us sometimes that there has been such a want. Have you found that at all?—No; I have not found it in my own experience.

24,131. (*Mr. Lawson.*) Have you found any unwillingness on the part of the one department to communicate readily with the other when points of difference from time to time have arisen?—This case that I gave you of the eight cases going to Queensborough I think was very much in that way.

24,132. (*Mr. Hanbury.*) There, as I understand, you have never ascertained whether that duplicate despatch reached Queensborough, or whether it did not?—The last that we have heard on the matter was the letter that we got on Monday from the collector of Customs in London. We had written to him on the matter, and he wrote back in the end to say that the goods were in the position of being in transit, and that they had nothing to do with it; and yet from what we can learn, the surveyor of Customs, under the collector in London, was refusing to allow our friends there to bring back the goods to London or to put them on board the ship.

24,133. But the Customs denied that on the part of their surveyor?—The surveyor gave colour to what our agent stated, because when we wrote to him he said that he had sent up the letter to the collector in London, as much as to say that he had sent it on for further instruction.

24,134. (*Mr. Harvey.*) How does the thing stand now? What is the exact position of affairs now?—The exact position of affairs now is, that we have paid duty to the Excise in Edinburgh, and that we have instructed our agent in London to go and get the whiskey out of Queensborough and bring it into London to their stores, and if the surveyor makes any objection they are to show to him the collector of Customs letter that we have, and also the certificate of having paid the duty. The collector of Customs says he has no right to touch the goods, and we have paid duty on the goods, and therefore we ought to get them. Of course all these matters are rather small details, but if you have a great number of them coming every now and then in your ordinary business it is a great inconvenience.

24,135. (*Mr. Hanbury.*) That is what I want to get at. Have you a great lot of them?—Yes, everything almost that I have said has happened within the last three months.

24,136. How many cases have you been able to give us in the last three months?—I have given you one case where we have written 18 letters on the subject. That is a pretty considerable amount of trouble.

24,137. Yes, but it is all one case?—Yes, but it is a good deal of trouble, is not it?

24,138. (*Mr. Lawson.*) All these cases have a great many ramifications, I suppose?—Yes. Of course that is what we have written, but that does not count what other people have written to us.

24,139. And an amount of correspondence like that, though it might not be considerable in a Government office, in a moderately sized firm, is a matter of some importance?—Yes, especially if you take the whole thing which is not worth a 5*l.* note.

24,140. (*Mr. Hanbury.*) I understood you to represent some association?—I do.

24,141. But the instances that you give are not all the instances that that association can get together; they are simply instances within your own personal knowledge?—They are. Yet, not exactly all of them. That about the wine was by another distiller and dealer in Glasgow; about the duty being charged differently by the two Boards.

24,142. As you represent that association here, are those all the cases that this association is going to produce?—Yes.

24,143. (*Chairman.*) Is there a warehouse keepers association in Edinburgh the same as there is in Glasgow?—I do not know of one.

24,144. (*Mr. Harvey.*) From your experience of both departments, would you say that the Customs took a sterner view of its duties than the Inland Revenue?—I do not think that I could say anything of the kind. Do you mean to say that they are stricter as regards their gauging and that?

24,145. I will put it in this way. Suppose you, instead of being interested, as you are, in getting your transactions with both the Board of Customs and the officers of the Inland Revenue quickly settled, were interested in the revenue, and suppose you wanted to get the largest amount of revenue possible, have you formed any opinion as to whether the practice of the one set of officers would be more favourable to getting a large revenue than the practice of the others?—No, I think not; but I would say that if they were amalgamated there would be a very great saving in expense.

24,146. For a moment I just repeat the other question. From your experience you think that the revenue is collected as promptly and as readily and as completely by the Board of Excise as it is by the Board of Customs?—I do, certainly.

24,147. Now, then, we will go to the question of expense. Wherein do you think, so far as your observation has gone, that the amalgamation would produce economies?—At present we have a collector of Customs in Leith, and a collector of Inland Revenue at Edinburgh. One collector would do. They are pretty highly paid officers. In Glasgow there is a collector of Customs and a collector of Inland Revenue, both in one town, and one would do there too. Then, I think that a great many of the subordinate officers might be done without in the same way. You could do with fewer officers, I think, if they were under one Board. Let us suppose they were amalgamated; in Edinburgh the immediate result would be to shut up a lot of the warehouses at present

open at Leith, because they are not filled up, and the officers which are kept on at present to survey these warehouses could be done without.

24,148. (*Mr. Hanbury.*) Do you mean men are kept on to survey the empty warehouses?—Yes, I mean that. There are a certain number of officers for a certain number of warehouses, so far as I know.

24,149. (*Mr. Harvey.*) Have you looked into the matter sufficiently closely yourself as to give that opinion to us, advisedly, that there can be a distinct saving, that there can be a saving on salaries at Leith, supposing there were the united service?—No, I have not looked carefully enough into the cases.

24,150. But you do think that if you were managing both sets of warehouses, as a private individual, you would shut up, under the existing condition of things, some of the warehouses at Leith?—I should, I think; but I would probably open another at Edinburgh.

24,151. (*Chairman.*) You would probably open another at Edinburgh?—Yes.

24,152. Then there would not be much reduction of staff, would there?—It depends a great deal upon the size of the warehouse you open at Edinburgh. Of course, it would be only one warehouse; there is a great number of small warehouses dotted all over Leith, where the working of them is very expensive; it is very much more economical to work a great big warehouse, than it is a lot of little ones, when the officers have to walk a certain distance to each portion of their work.

24,153. But all these warehouses in Leith that you speak of are private property, are they not?—Yes.

24,154. Is not there sometimes very considerable difficulty in getting the proprietor of a warehouse to view the propriety of shutting up his warehouse in the same way as the Revenue Department does?—I was looking at it from the question of the saving of expense.

24,155. Very likely it is desirable to diminish the number of bonded warehouses in many places in England at present; but, probably, you are aware it is not very easy for the Government to do so?—That probably is so.

24,156. Can you give many instances where in the course of your trade and experience in Leith and Edinburgh there was duplication of work. You have told us about the warehousing and paying the duty, but can you give us instances where exactly similar work on behalf of the Government is done twice over by Customs officers on the one hand and Excise on the other, in the course of your own trade?—Twice over as regards the same goods, do you mean?

24,157. As regards the same transaction with the same goods?—I think not. To illustrate that, this, perhaps, will let you see what I understand you to mean. You mean if a cask of spirits, foreign spirits, say, is taken into a Customs warehouse it is gauged there; do you mean to say when it is removed from the Customs warehouse to the Excise warehouse the same thing was done to it again as was done originally owing to the duplicating of the work? I do not think they do as far as I know.

24,158. You do not think that there is much duplicate work?—No, I think not.

24,159. In the instance which you have just given, I understand that you would be perfectly free as the consignee of a cask of foreign spirits to send it to an Inland Revenue warehouse, if you pleased?—Yes.

24,160. Where it would pay the Customs duty and be dealt with?—Yes.

24,161. If it has to go through, dealing with the Custom House and the Excise at the instance of the consignee, of course, that is not a duplication of work; but what I mean to ask you is whether there are instances that have occurred to you in the course of your business in reference to some transaction of a consignment of whiskey, we will say, in which the work has to be done twice over by two sets of officers, from the fact that there are the two sets, the Customs and the Inland Revenue, under two Boards, because if there is not any such duplication it is rather difficult to see where the economy in the staff would be. I quite understand the warehouse question which you put; but, apart from that, has it occurred to you that there is any such duplication of work by the fact of there being two sets of Revenue officers, and that there can be any substantial reduction at Edinburgh and Leith?—No; I do not think that there is duplication as far as I know.

24,162. I do not know that this is perhaps a question that you would like to answer. Does it appear to you that these Revenue officers on the one side or the other have got much time to spare on their hands. Do they seem to be pretty fully employed?—The Inland Revenue are, I think; yes.

24,163. You deal principally with the Inland Revenue?—Yes.

24,164. I particularly kept out, as far as I was concerned, either one side or the other; but, with a view to amalgamation and the suggested economy bearing on the staff that might be effected, do you think that, at Edinburgh and Leith, you can yourself see, if you had the dealing with it, any means of reducing other than by what you save by having one collector instead of two?—Not from what I have seen myself.

24,165. Of course it does not come naturally within your sphere of knowledge?—No.

24,166. (*Mr. Harvey.*) Is it the practice of merchants to see the collector personally, very much?—Whenever we have any difficulties in the working we go to him.

24,167. From your experience, would you think that the time of the collector of Customs at Glasgow is thoroughly well filled already?—That is a question that I do not think I could answer. I do not know from my own experience.

24,168. You say I think that there could be one collector of Revenue in Glasgow instead of two?—Yes.

24,169. Does not that come to this, that a man's time already is not sufficiently occupied?—Yes, it does come to that; but I am not able to state whether his time is sufficiently occupied at present.

24,170. Still, as I understand, you have formed the opinion that the duties of the collector of Inland Revenue and of the Customs, might be filled by one man?—Yes, I have formed that opinion.

24,171. Have you had any conversation with either of the collectors at any of the ports upon the subject by any chance?—Yes.

24,172. At Edinburgh, or Leith, or Glasgow?—Yes, I saw the collector of the Inland Revenue in Edinburgh.

24,173. Are you justified in representing him as being of the opinion that he could manage to do all the collecting work. I do not say he individually, but that a representative of the Inland Revenue in the person of a collector at Edinburgh could do all the collector of Customs work at Leith also?—I think he could.

24,174. (*Mr. Harvey.*) But do you think that both the collector of the Inland Revenue at Glasgow, and the collector of the Customs also are very much personally wanted by people?—No.

24,175. It is the custom, is not it, to see them personally?—Not very often. We do not see the collector, unless we happen to have anything special. We do not see him for months.

24,176. Would you be surprised to hear that we have had evidence that the collector's time is taken up very much all day long by personal applications?—Well, I do not think that our collector of Inland Revenue in Edinburgh is so much troubled as that. I know for our own part we very seldom see him unless some special case comes up.

24,177. And you think he, as a matter of fact, could do the duties of collector of the Customs in addition to his own?—I do.

24,178. (*Mr. Lawson.*) I should like to ask you whether your own experience bears out on the whole, evidence that has been tendered to us by some of the witnesses that the Inland Revenue show a greater adaptability to the circumstances of trade than the Customs, more readiness to meet new conditions?—I think they do, and as a proof of that the dealers in Edinburgh or Leith or Glasgow that I have spoken to (and coming up as I was), I spoke to them, said that they would rather be under the Excise than under the Customs.

24,179. Have you made a point of speaking to a good many of the dealers?—I did, but I only knew that I was coming up three or four days ago.

24,180. Were they all unanimous, so far as you spoke to them?—Perfectly unanimous; there was only one opinion.

Mr. R. Usher.
27 Feb. 1889.

24,181. And I suppose the Commission must take it for what it is worth that there is a general impression in the trade from what you say that there could be a saving effected, supposing there were a consolidation of the Revenue departments?—Yes, there is a general opinion to that effect.

24,182. While at the same time your own convenience would be consulted?—I think so. It is the opinion in Scotland I should say.

24,183. In your correspondence do you find that the Inland Revenue are more accessible than the Customs?—No, neither of them are very prompt in replies.

24,184. (*Mr. Harvey.*) If they are not prompt in replies, do not they get admonished and sat upon in a place like Glasgow?—The subordinates are very prompt in replies; I refer to the Boards in London. Of course they have a great deal to do, but we generally allow three weeks for a reply to a letter.

24,185. (*Mr. Hanbury.*) What do you mean by the adaptability of the Inland Revenue, by there being greater adaptability on their part than on the part of the Customs, in what way?—We work under a great lot of regulations; we can do nothing without a regulation in support of it. I mean working in bonded warehouses. If we find a difficulty, if we take it to the Excise, we, of course, do not go to the Customs at all in these matters; but if we go to the Excise I think they are very reasonable in giving the matter every consideration, and in helping us.

24,186. Then if you do not go to both, how can you say that there is a greater adaptability on the part of one than on the part of the other?—I gave that in reply to the query put to me just now. I said that it was the opinion amongst those I had spoken to.

24,187. Do those people whom you represent, as a matter of fact, have as much to do with the Customs as with the Excise?—No, not distillers.

24,188. (*Mr. Lawson.*) Not as much, but they have a good deal?—They have a good deal.

24,189. (*Mr. Hanbury.*) You mean they have a good deal to do with the Customs?—Yes.

24,190. But you personally are not able to express an opinion one way or the other because you only personally deal with the Excise?—That is so.

24,191. (*Mr. Lawson.*) I do not understand that; I understood that you had dealings with the Customs though not to the same extent as with the Excise?—Yes, I have dealings with the Customs in this way, as far as I have to send goods out of the country.

24,192. Then you have dealings with the Customs and you have personal and immediate experience of the department, have you, or not?—Yes, but not of the Board, I have experience of the department.

24,193. (*Mr. Hanbury.*) But in answer to me just now you said that your experience, as I understood, was confined to the Excise; I only want to get out whether you have had much dealing with any of the Customs officials?—We have dealings, but not in the same way. You see our warehouses are Excise warehouses, and it is only when goods go away from us that they come under the Customs.

24,194. (*Mr. Lawson.*) Of course you are not speaking here to day individually only, but as a delegate?—Yes, and I said that all the people working under the Customs whom I had consulted are working both under the Customs and Excise, and they expressed an opinion that they prefer the Excise.

24,195. Have you experience of the small ports of Scotland?—No.

24,196. You do not know anything of the duplication of establishments in those places?—No.

24,197. (*Mr. Harvey.*) Would you say that there was a rivalry between the two departments, so far as your observation has gone?—No, I do not think so.

24,198. (*Mr. Lawson.*) You distinctly are not of opinion that there is any laxness on the part of the Excise in the collection of revenue?—Distinctly not.

24,199. (*Chairman.*) It has been suggested by some of the evidence that we have had before us that there is a natural rivalry between the two departments to do most business in fact, and that possibly one department or the other department may make things rather easier for the traders in consequence, and that that is a reason why some of the traders think it desirable that there should be two departments to set off one against the other. Is that your experience?—I have had no experience of that.

24,200. (*Mr. Lawson.*) And you are not of opinion that it is so?—I am not of opinion that it is so.

24,201. You must have had experience of the Excise, but you mean that you are not of opinion that there is a tendency towards anything of that kind?—I have had no experience of any rivalry.

24,202. (*Mr. Harvey.*) Do you think your preference for the Inland Revenue comes to anything more than this, that a man naturally likes most, the regulations of that body under which he is most accustomed to work. Do not you think that if you had been working as long under the regulations of the Board of Customs as you have under those of the Board of Inland Revenue, you would in all probability like the Board of Customs best?—What I have to say to that is that the people in Leith who were consulted and who were working both under the Excise and Customs, and who have worked, I should think, longer under the Customs than under the Excise, said that they preferred the Excise.

24,203. I should very much like to get as to what that preference for the Excise is based upon. This Commission naturally has got to take very great care with the Revenue, and the point that I want to get clear in my mind is that this greater popularity in your mind for the Excise is not to be interpreted to mean, perhaps, that the duties of the Excise are made a little too pleasant for the interests of the Revenue?—No, I do not think that the Revenue suffers; but there are a great lot of operations which are done in bond in the warehouse, such as mixing and things in that sort of category, and I believe that people who are under the Excise and Customs prefer the Excise for those reasons.

24,204. (*Mr. Lawson.*) Do you not think that the preference of those whom you represent for the Excise arises from the fact that they do their business in a more workmanlike manner?—Yes, I believe that.

24,205. (*Chairman.*) Have you anything you would like to add?—No, I think I have said all.

The witness withdrew.

Mr. Robert Brown called and examined.

Mr. R. Brown.

24,206. (*Chairman.*) You, I believe, are a large wholesale spirit merchant in Glasgow?—I am.

24,207. We understand that you have some views with reference to the suggested amalgamation of the Excise and Customs which you would like to lay before the Commission?—Yes.

24,208. Do you represent any association of traders?—I do not represent anyone but myself.

24,209. You have had conversations, probably, with other traders?—Yes; I know a good deal about it from my brother traders. I know a good deal about the working of both.

24,210. In Glasgow especially?—In Glasgow, yes.

24,211. I understand, generally speaking, you are in favour of the amalgamation of the two departments?—I am very much.

24,212. Do you deal with both departments?—I deal with both departments.

24,213. Perhaps you will, in your own way, give us the reasons you have for taking that view?—Glasgow has become a centre where there is a good deal of whiskey exported, and we want to get it done as quickly as possible because the steamers come in on Wednesday and Thursday, and then they sail again on Friday or Saturday morning, and if there is any delay we miss a steamer, especially in the Cape trade (South Africa). Any little hitch in the way of getting goods ready makes us lose a steamer for a fortnight, especially in the Customs. There is a great delay in the despatches going from the Customs to the Excise and from the Excise to the Customs.

24,214. Will you take an instance of some goods that you want to export to the Cape, say, this week, and tell

us where your inconvenience and delays would probably occur?—Suppose we wanted to ship goods. The mail comes in from the Cape to-day, and we have the orders from London on Thursday morning. Supposing I wanted to bring goods from Ireland, from Newry (and I do bring a great quantity of cases from Ireland) to ship to the Cape by Saturday morning. We could get the cases but we could not get the despatch.

24,215. You mean you could get the Inland Revenue despatch by post from Newry?—No; we could quite easily get the goods but not the despatch.

24,216. Do you mean to say that the despatch is not a necessary document in your view?—We cannot ship without the despatch at present, but if we were under the Excise we would get the despatch with the goods.

24,217. Why should not the despatch come with the goods now?—Because it has to go through the Customs to the Customs in Glasgow.

24,218. Why should not a regulation be made that the Excise despatch from Newry, or wherever the Excise officer is, who authorises the sending of those goods, come with the permit and the goods be allowed to be shipped upon that?—That is exactly what we want.

24,219. Could not that be done without amalgamation. Is not that a matter more for regulation?—You see it could not be done as it stands at present, because we have to send on despatches, making two entries from the Excise to the Customs in going out, and in the same way coming in, whereas if we were all under the Excise the despatch would come with the goods.

24,220. (*Mr. Lawson.*) Would you explain that more fully. You have to make all entries going out, you say?—Yes.

24,221. Take a concrete instance?—If we ship goods from an Excise bond just now we want to ship them, we have to make an entry, make two entries, one in the Excise for the goods going down, and another through the Customs for the same goods.

24,222. I suppose you have to enter it at the Excise because you take it out of the Excise warehouse?—To be sure, and then we have again to enter it in the Customs.

24,223. (*Chairman.*) Supposing that amalgamation took place, would there not have to be two sets of officers, one to deal with the ships at the landing place, and the other to deal with whatever warehouse it might be inside?—Certainly.

24,224. How would you escape that?—We do not want to escape that. We want to escape making the entry at the Custom House. You see we have to make two entries.

24,225. Suppose you want to clear goods for export from an Excise bonded warehouse at Glasgow, do you mean to say that you cannot now by any regulations that exist send that whiskey, supposing it to be whiskey, straight from the Excise bonded warehouse in Glasgow on to the ship?—We do send the goods; but the entry must be made at the Customs and pass through the Custom House.

24,226. (*Mr. Harvey.*) The goods come from Newry, do not they?—Yes.

24,227. Where do they go to?—They go direct to the railway station.

24,228. At Glasgow?—Yes.

24,229. Do they go on board ship?—No; they are sent down to the quay, and we cannot ship them till the despatch comes through the Custom House.

24,230. Your allegation is that your business is delayed because the despatch from the Excise officer at Newry is behind your goods. Is that so?—Yes, that is so. The Custom House, not the Excise at all; they come through the Customs.

24,231. You must explain a little more where the Customs officer comes in. Where does he come in?—The Custom House officer sends the despatch from Newry to the Custom House officer in Glasgow. If the despatches do not come in time our goods are short shipped; we often have cases of the despatch not coming forward. I will give another instance of it. Suppose a ship comes in to Glasgow, which it very often does, with a few hundred casks of rum. They have to lie on the quay till the Custom House take note of them, and then the despatch is sent up to the Excise office. It often happens to be eight or 10 days before the despatch comes up, before you can lift these casks to be stowed away.

24,232. (*Chairman.*) Is that a delay which takes place because the Customs is short handed, or why?—No, it is because they have to take the liquor away for obscuration, and there is a delay in that; whereas if it was under the Excise they could take it into a warehouse and stow it away and take the sample for obscuration at the same time.

24,233. Is not it possible now to send goods to you if you are the consignee of foreign spirits landed in Glasgow; is not it possible for you to select your Inland Revenue bonded warehouse and have your goods brought straight into that Inland Revenue bonded warehouse?—It is quite so, but that does not make any difference in the delay.

24,234. You mean that when you have got goods all arranged for and coming by a ship arriving to-day, and you want to send them to an Inland Revenue warehouse where you have other goods, you cannot have them at once when you get the despatch from a ship?—Certainly not; it will take from ten days to three weeks to clear it in that way; whereas if we do it under the Excise we could do it in a fortnight.

24,235. Why should it be done quicker under the Excise than under the Customs?—Because they have a quicker way of getting through the work. I cannot explain all.

24,236. You come now to the point. You think the Excise people do their work better than the Customs?—Certainly. I have had to leave the Customs because we cannot get the work done quick enough, and we can get it done quick enough by the Excise.

24,237. Can you give any reason for that?—The laws of the Customs; they are behind the times. They are come up a bit during the last month or two. I believe they are exerting themselves since this Commission has been sitting. They have been doing a little better than they did; but they seem to be about a hundred years behind.

24,238. That is a long way at the rate we are marching now?—Yes.

24,239. The Code is the same in the warehouses, is it not?—Our steamers are very quick, they seem not to have got rules to allow the goods to come in properly. There is something wrong in their rules.

24,240. Are there any rules that the Customs have with reference to the despatch of goods. Can you suggest how they ought to be amended?—No.

24,241. Or is it a question of men; is there an insufficient staff?—No, I think not. I think they do not do enough work. They do it in a roundabout way, and I do not think they work enough. For instance, a man gets 20 casks of rum in a day on a quay; the samples are taken from the casks of rum and they are sent up for obscuration. They cannot move these casks until the despatch comes back from the Customs to the Excise.

24,242. Do not they test the spirits for obscuration at Glasgow?—Yes, they test them for obscuration; this causes the delay in getting the despatches to the Excise warehouse.

24,243–5. Do you see any reason why things would be better if you had everything under the Excise. You must have landing officers?—Yes, you must have landing officers; but I do not see why landing officers should not be Excise officers. They would do the work; they have always done the work quicker than the Custom House officers. Of course, I do not say that the Excise are perfect; but I say they are very much more so than the Customs.

24,246. (*Mr. Harvey.*) But you think the Customs very imperfect?—I think so.

24,247. (*Mr. Hanbury.*) Is that owing to the rules or the men? Which do you complain of?—The rules and the men.

24,248. That is what I want to get at. Supposing the rules were altered, do you still say the Custom House men would not do the work?—I do not think they would.

24,249. Why?—The Excise are a select class of men. They have been used all along to work more; their instructions have been to make them work more, and everything they have done has been to make them work sharper.

Mr. R. Brown.

27 Feb. 1889.

24,250. Would you propose to get rid of the Customs men altogether?—No, I would propose to sharpen them up.

24,251. By amalgamation with the others?—Yes, and they are a great deal sharper since they have an idea that they are going to the Excise. It has really done them a great deal of good.

24,252. There is a good deal of sharpness from the mere fact of competition. Do not you think a little rivalry between the two departments might be productive of a little sharpening?—It might be; but you see there is this difficulty. There are two Boards to consult, and they just simply say, "Well, I will have "to consult my Board about this," and then it is sent away. When any little difficulty arises they say, We must consult the Board. The thing is nonsense, because our goods are lying on the quay, and we are missing a ship or two, and we do not get the facilities we ought to get. We do not want anything except despatch. That is all we want.

24,253. (*Mr. Hanbury.*) Would not they consult their Board if there was only one Board?—Yes, but it would not take so long to consult one Board as it would to consult two.

24,254. Do they as a matter of fact consult both?—They do.

24,255. Can you give any instances?—Yes; I think I can give you one. I got an order from Bombay to ship 200 cases of whiskey, the party at Bombay wanted a small neck label put on the bottle, and we asked that to be done in the Excise, and one officer read his instructions so as to say that is impossible, that cannot be done. I asked him why, and he said: "Well, you are "not allowed to open the cases to substitute one label for "another," and he read his instructions entirely wrong, because the instructions to him were that he was not to open the cases to substitute one label for another; but the instructions did not say to him that he was not to allow a third label to be put on.

24,256. Was he an Excise officer?—Yes, and he said the Customs will not pass this. He blamed the Customs for not passing this label.

24,257. You say yourself that he was the man who made the mistake?—Yes; I say that he was the man who made the mistake. The work was stopped till they consulted the Board, and in this instance the Board took about three weeks to reply.

24,258. But which Board?—Of course, we went through the Excise Board, but they had to consult the Customs Board.

24,259. As I understand, this was a mistake by an Excise officer who had to be corrected by his own Board?—He supposed he was right, you know, but three weeks after he found he was wrong.

24,260. He would have supposed he was right whether there had been one Board or two?—If there had been only one Board we should have had a quicker answer.

24,261. How do you know that?—Quite well.

24,262. Have you got any evidence. Do you know that the Customs Board were consulted as a matter of fact?—I could not be sure; but they blamed the Customs.

24,263. (*Mr. Harvey.*) This man said to you that if he had passed the label the Custom House officer would object?—Yes.

24,264. Was not it a right thing for the Custom House officer to object. It was an unsettled point?—No; certainly not. It was a reading of an instruction wrongly by two officers.

24,265. (*Mr. Hanbury.*) By two?—By two or three. There were five of them at it, and they read it all wrong, just because they thought they were right.

24,266. (*Mr. Lawson.*) Your point is not which officer is right or wrong, but the fact that two departments had to be communicated with instead of one led to the delay to which you were subjected?—Yes, three weeks' delay.

24,267. (*Mr. Hanbury.*) That is what I want to get at. Is it the fact that two departments had to be consulted?—I do not think it is the fact that they had to be, but I think they were.

24,268. But are you sure about that?—I am not sure about that. I am not sure whether they consulted the other. I was not in London, and had no opportunity of asking which Board they went to.

24,269. (*Mr. Harvey.*) Does it come to more than this: that you took a different view as to the interpretation of the regulations from that taken by a Government official, and that you were naturally annoyed by the delay occasioned?—No, I was not annoyed. I wanted to know whether we were right or not, and we went to the Board and the Board said that we were.

24,270. (*Mr. Hanbury.*) The Inland Revenue Board overruled its own officers?—Yes, that is often done; they do it, and the Customs too.

24,271. (*Mr. Harvey.*) You would not say that is any allegation against the system, would you?—No; but I would say that a new rule ought to be laid down so that an officer could not read his instructions wrongly, and so that an officer could not be allowed to read the rule two ways.

24,272. (*Chairman.*) You cannot assume that all the officers of the Government in any department should naturally be infallible, mistakes must occur?—No; but a proper rule ought to be laid down which could not be read two ways.

24,273. You mean making the rules clear?—Yes, making the rules clear, and I think the traders ought to be supplied with a copy of the rules.

24,274. Have traders any difficulty in obtaining a copy of all the regulations?—Yes, sometimes we do not get a copy of the new regulations till some time after they are out.

24,275. And therefore I understand you are strongly in favour of an amalgamation?—Yes, I am. I think that it would be better entirely under the Excise, or under the Customs. I am not caring which.

24,276. Under one department?—Under one department. I do not want to have to consult two Boards when there is anything that goes wrong, and I think the rules ought to be laid down so that they could not be misunderstood by an officer.

24,277. That the Code should be made clearer, in fact?—Yes, that the Code should be made clearer.

24,278. The Code is new—it has not been very long in operation, has it?—This is old.

24,279. There are not many points now in the Code that are any difficulty, are there?—A great many. I think the Code should be re-arranged every ten years.

24,280. How long has the present Code been in operation—it is not ten years old, I believe?—No, it is not ten years old; but some of the laws are very far back.

24,281. Would you like to amend the Code?—Yes.

24,282. That, of course, is not affected by amalgamation?—I can give you an instance where they have to go back to George the Fourth's time for a law.

24,283. If it was a good law, why should you not go back to George the Fourth?—It was a law they did not quite understand, and I do not think they quite understand it yet. I can show you a little instance of it.

24,284. (*Mr. Harvey.*) That has nothing to do, has it, with the question—the two services or the one?—Yes, it has.

24,285. (*Chairman.*) Then let us have it?—We were putting an extract from a paper called the "Australian World" in the cases, the officer objected to that going in.

24,286. (*Mr. Harvey.*) You say "putting in the cases"—will you explain where?—For an advertisement inside each case we were putting a leaflet.

24,287. (*Chairman.*) Did he object to your saying that you supplied whiskey to His Royal Highness the Prince of Wales?—No, he did not—he could not do that.

24,288. What was his objection, then?—I will tell you what his objection was. I am a co-partner with Mr. Usher, whom you have seen to-day, in a distillery in Edinburgh—it is a limited liability company. The officer objected to the word "distiller" being used. The officer took this leaflet, and he sent it up to the Board through a supervisor, not the supervisor on the bonding district, but on the warehouse district. It took them three or four weeks to find out whether I could use the word "distiller" or not, and they had to go back to the old law in George the Fourth's time, and they are not very clear yet, whether I can use the word distiller or not.

24,289. It would be a reason for making the Code clear?—Yes, that is what I give you as a reason for making the rules and laws to Excise officers perfectly clear, so that the traders can quite understand them as well as the officers; and so that no officer should read a rule differently or in two ways.

24,290. (*Mr. Hanbury.*) But what has that got to do with the amalgamation of the two Boards?—It has got to do with it in this way: that the Custom House object to the leaflet being put in, and the Excise do not. My cases would be quite liable to be stopped at the quayside. Of course I am not making this a personal thing at all.

24,291. What was the upshot of that—did they let you put that leaflet in?—Certainly; they could not hinder it.

24,292. How long were you kept waiting?—Three weeks before we got an answer to this.

24,293. (*Mr. Harvey.*) Do you mean to imply that the point that constituted the difficulty was that you could not be a distiller if you were a member of a limited liability company?—To be sure—that was the point.

24,294. There was no limited liability in George the Fourth's time, was there?—No, certainly not; and that is the very reason why the thing should be altered—that is the very reason why they should have a new law now made for these things—there was no limited liability company then.

24,295. (*Chairman.*) It is plain that it would be very desirable that the Code should be entirely unmistakeable in its regulations.—Yes. that is what I want, and there are many other little things. We get a new officer who comes down to our warehouse from a distillery or something of that sort; he is quite new, and he reads an instruction or rule quite differently to what you have been doing, and then he stops the whole working while he asks his Board how this has to be done.

24,296. (*Mr. Hanbury.*) But you would get new officers even under an amalgamated Board?—Yes—I do not object to new officers at all; but I want all new officers to understand the work.

24,297. Why would you get new officers to understand their work better under an amalgamated Board than you could under the present system?—There is the difficulty. If we get our work done in the Excise, and we get down to the quay with all the stuff arranged there, we do not want to be stopped by another Board saying: "This is not to be allowed." The Customs will allow one thing and the Excise another—that is what I am driving at.

24,298. Can you give us many instances of that—you have given us this leaflet?—That is one instance.

24,299. You have had a large experience—can you give many instances?—I could give you one or two, but I really could not bring them to my mind at this present moment. I could not pick out a particular one. This is one that struck me as being a ridiculous one to begin with, and I thought I would give it to you.

24,300. (*Mr. Harvey.*) But you would admit, would you not, that that has nothing to do with the point before us. That point may be a very foolish one for the Board to discuss, but at all events it would have been discussed, and would have taken the same time to settle whether there had been two Boards to deal with it or one?—Yes, quite.

24,301. (*Chairman.*) Have you looked at the question from the point of view of economy?—Yes, I have.

24,302. Would you state your views upon that point?—I think you will find that Custom House bonds are far more expensive to the country than Excise bonds. There is one in Greenock that has been taken over by the Customs, and they say that it has costag reat deal more to work under the Customs than under the Excise.

24,303. We have not had any evidence hitherto to that effect, but of course, if you say so on your own responsibility, that would be evidence?—I cannot say so, except from hearsay. I do not know the cost of working the Greenock Bond, but I had it from very good authority, from a collector of Inland Revenue, that it had cost more to work than the Excise Bond. Of course, that I have nothing to do with.

24,304. From your experience of Glasgow, do you think that any substantial economy would be effected in the collection of the revenue if the Boards were amalgamated?—Yes; I think you would not require so many officers.

24,305. Where would you be able to diminish your officers?—You would get more work out of your officers.

24,306. Do you say that the Inland Revenue officers are not sufficiently worked?—Yes.

24,307. Nothing like?—Nothing like. They ought to do far more work—the officers ought to work from 8 o'clock or 9 o'clock in the morning till 6 at night.

24,308. (*Mr. Hanbury.*) You told me that you complained of the Custom House officers as not being up to their work, but do you allege that the Inland Revenue officers are not fully worked?—They could do more, certainly.

24,309. You say you have got both Boards not working their officers fully?—I believe they are not hitherto working them fully. I quite believe they are not working them fully.

24,310. Why would an amalgamated Board work its officers better than these two separate Boards?—I think they work better under the Excise, and I think more work can be taken out of the Excise officers than at the present time.

24,311. (*Chairman.*) Do you think that by the present arrangements a larger number of Excise officers are kept whose time is not fully employed, not through any fault of their own, but owing to the system?—I think so.

24,312. Can you point to some concrete instance to illustrate that?—The officers at the present time do not work later than 4 o'clock. They could work quite well from 8 o'clock in the morning till 6 o'clock at night and not be overwrought.

24,313. (*Mr. Hanbury.*) When do they begin in the morning?—I think at 9.

24,314. (*Chairman.*) What kind of officers are you now speaking of?—Just the ordinary officers. the ordinary officers in a bond or going about Glasgow—the division officers.

24,315. (*Mr. Harvey.*) What time does a bonded warehouse generally close now?—4 o'clock.

24,316. Does not it come to this, that your recommendation would be that a bonded warehouse should be kept open till 6?—Yes.

24,317. That is so?—Yes. The reason that they shut at 4 in the winter time is this, that it is dark, and they fancy that you could steal or get something more out of it in the dark than in the daylight—a practice that is a hundred years old, but now-a-days they can light it up and do anything they like with it. There is plenty of work for all of us. We could get more work out of our men, but we have to close at 4 o'clock too, as they shut up at 4 o'clock.

24,318. (*Chairman.*) You are not in favour of early closing?—No. I am in favour of taking more work out of your officers.

24,319. The emoluments of your trade, you say, are rather affected by the fact that you have to close early in consequence of the bonded warehouses doing so?—Yes, to be sure. We have often to ask them for permission to keep the warehouses open to let us work late to get a ship away.

24,320. (*Mr. Hanbury.*) Are these bonded warehouses you speak of without gas?—No, with gas. They could be lit up with gas, but the rule for closing early in winter was made when there was nothing but candles or lamps used.

24,321. (*Mr. Harvey.*) Do you think there is a wdely spread feeling of dislike to the present system?—Yes, I think so. They are working better than they did.

24,322. I mean as to the hours at which the warehouses are closed. Do you think the traders and merchants generally wish to have them kept open longer?—I think they do. I think they want to get more work out of the men themselves.

24,323. (*Mr. Hanbury.*) But during the hours from 9 to 4, are the Excise officers now kept well at work?—No.

24,324. They are not?—No they are not. There is a supervisor over the officers. This supervisor has not enough power over the officers.

24,325. In what way?—He has too much work to do himself and the officers have too little. The supervisor

Mr. R. Brown. 27 Feb. 1889.

has a very great deal of work to do, and he is supposed to look after four or five officers in one band and four or five in another, and so on. That man has to trot about the whole day and do a very large amount of work, and then he has to go home and do as much. He has to account for every hour in his day.

24,326. Do you maintain that if the supervisor had got less work to do himself he would be able to supervise the men better?—To be sure; he would get the five men, or the 10 men, or the 15 men under him to do twice the work.

24,327. (*Mr. Harvey.*) If you had to pay the supervisors' salaries out of your own pocket, would you increase the number?—I would.

24,328. Would you?—Yes, and have fewer officers: I would get more work out of the officers.

24,329. But you deliberately mean to say that if you were responsible yourself for their salaries, you would have more supervisors?—Yes, I would have a supervisor to do less work and get his men to do more.

24,330. (*Mr. Hanbury.*) How many hours' work do these men do, do you suppose, in the course of the day?—The supervisor?

24,331. The men under him?—From 9 to 4 o'clock.

24,332. Nominally; but how much?—I do not know what they do; they are always there knocking about. Some are good officers and get through their work quickly; other officers do not.

24,333. (*Mr. Harvey.*) Still, of course, it is their business to be there, though there may not always be work for them to do?—Yes, from morning to night there is plenty of work for them to do; in fact, we have a great deal of difficulty in getting them to work sharp.

24,334. (*Mr. Hanbury.*) Your complaint is that, although there is this large number of men there, they do not do it sharp?—They do not do it sharp, and it would be better if the supervisor had more power over them, but if you make a complaint to the supervisor he has no power whatever; he says, "I must go to the Board," and that means eight or 10 days' notice.

24,335. Are these Excise officers you are talking of?—No, I am talking about the supervisor.

24,336. The supervisor of the Excise?—Yes.

24,337. (*Mr. Harvey.*) Does he go to the collector?—He does not go to the collector, he goes direct to the Board here.

24,338. Not through the collector?—No.

24,339. (*Mr. Hanbury.*) I want this cleared up. Does this apply only to the Customs?—No, it is the Excise I am talking about.

24,340. There are no supervisors of Customs?—No, there are no supervisors in the Customs.

24,341. Then, I ask you whether this refers entirely to the Excise?—Yes, to Excise; it is Excise I am talking about.

24,342. (*Chairman.*) With reference to the number of bonded warehouses in Glasgow, do you think they are too numerous?—No, I think not; they are too large, some of them.

24,343. Do you mean too large to manage economically?—I think so.

24,344. But as far as the convenience of traders goes, are they convenient for the trade?—Yes, pretty convenient. Of course we would all like to get private bonds if we could, but it is difficult to get them.

24,345. (*Mr. Harvey.*) You have more to do with the Inland Revenue than you have to do with the Customs evidently?—I left the Customs altogether because I could not get my work through.

24,346. I should like to go into that. What do you mean by leaving the Customs?—Not doing work through the Customs.

24,347. In what respect have you your choice as to which you shall work under?—We have the choice. We can either work under the Customs or under the Excise.

24,348. Would you say that any large number of traders besides yourself have adopted the same plan, and have left the Customs for the sake of the Inland Revenue?—I think so, because it is shown that there is a greater run upon the Inland Revenue bonded warehouses than there is upon those of the Customs.

24,349. Had you ever thought of making a representation to headquarters as against the particular body that you have left?—Never.

24,350. Would not it have been a natural thing to do if many of you have had to leave?—It is nothing to us, we go to the place where we get our work done best.

24,351. But not to complain that the people do not do your work well?—No; we really have nothing to do with the officers of the Customs nor of the Excise either. We really have nothing to do with them, nor do we want to have anything to do with them; we want to have our work simply done.

24,352. (*Mr. Hanbury.*) But you say you do not get your work done?—I never said that the Excise was perfect.

24,353. (*Mr. Harvey.*) When did you leave the Custom House to go to the Inland Revenue?—Two or three years ago.

24,354. Two or three years ago?—Yes. We deal with the Customs still, but as little as possible.

24,355. What step did you take to make that change? Did you bring yourself in contact with any particular Revenue officer?—No, none. We just found that we would get our work done quicker with the Excise than with the Customs.

24,356. Did you complain to the Customs first?—No, never made any complaint at all.

24,357. And no overtures were made to you by any Inland Revenue officer to come to them?—Oh, no; none whatever.

24,358. Do you think that the greater difficulty of dealing with the Customs which you complain of has its origin in an effort to get more revenue, to deal more justly with the interests of the Exchequer?—I think not I do not see how it could.

24,359. Do you think that so far as that is concerned both are equal?—I think so. I would be as soon in the one as the other for that part of it.

24,360. Suppose you yourself were the Chancellor of the Exchequer, from your knowledge, would you have your work all done by Inland Revenue officials or by Custom House officials?—By Inland Revenue ones, because I could get more work out of them, and they would cost the country less.

24,361. Looking exclusively at what you are going to get out of it?—Yes; I certainly would get the revenue as well in by the Excise as by the Customs, and I would get more work out of the Excise than I could out of the Customs as they are at present.

24,362. Let us understand why that is. Suppose you were put in authority over both, would your reforms be directed to their rules, or would your reforms be directed to the *personnel*—to the men themselves?—To their rules. Of course it would take some time to sharpen the men up to what the Excise are at the present time. The Custom House officers are behind.

24,363. Can you give us a date when the Revenue officers began to advance and get better?—The Custom House officials?

24,364. Your allegation is that the business is done in a more workmanlike fashion by the Inland Revenue officials, is not it?—Yes.

24,365. What would you attribute that to? We should like a reason for that view?—I really cannot tell you when it began, but such is the case.

24,366. (*Mr. Lawson.*) Has not it been for a very long time past the case?—That the Excise have been sharper?

24,367. More vigilant and more accommodating?—Yes; I think for a long time; 10 years at any rate.

24,368. (*Mr. Harvey.*) I do not think you said the Excise officers are more vigilant?—Yes they are.

24,369. That is what I want to get especially in evidence. Do you think in the interests of the revenue, utterly apart from the interests of the trader, that the work is better done by the Revenue people than by the Customs House people?—If I wanted to get something out of the Government I would certainly stop in the Customs, but I would not get the work done. As I do not want to get anything but what is right I go to the Excise and get my work done.

24,370. But you do mean to say that if you wanted to get something out of the Government you would rather go to the Customs?—Yes, I would.

24,371. (*Chairman.*) And as a Scotch trader you absolutely prefer to go to the Revenue department?—Yes, to the Inland Revenue department.

24,372. (*Mr. Hanbury.*) Give us a concrete instance of this sort of thing that you look to get out of the Government?—I do not want to get anything out of the Government. I do not say I want anything. The question put to me was if I wanted to get more.

24,373. (*Mr. Lawson.*) I suppose you would say that the Customs took an easier view of life?—Yes, they do, and more than that, I think the Excise will gauge a cask and take more out of the trader than the Customs do.

24,374. But yet the greater despatch with which their business is done compensates you, from the trading point of view only, for any greater sharpness on their part?—Yes.

24,375. (*Mr. Hanbury.*) Do you say they gauge more strictly?—Yes. I think the Excise gauge more strictly, more near the point, than the Customs do.

24,376. (*Mr. Lawson.*) I suppose that as you have expressed an opinion very freely, you would not mind saying whether one might characterise the condition of the Customs as somewhat old-fashioned?—That is it, just exactly; old-fashioned. I do not care which you make it, so long as you let the trader get his work done, and make the rules right.

24,377. (*Mr. Harvey.*) You say there had been more wisdom shown in drafting the rules of the Inland Revenue than in drafting the rules of the Customs?—I think so.

24,378. But that so far as their practice is concerned, if there had been similar wisdom in the Customs regulations as there is exhibited in the Inland Revenue regulations, you would have remained at the Customs?—Very likely I would. If I could have got my work done in the Customs, of course I would have remained with the Customs.

24,379. Quite so; but the reason why you did not get your work so well done by the Customs was, in your view, because the same wisdom has not been displayed in the drawing up of the regulations of the Customs as has been in the case of the Inland Revenue?—Just so.

24,380. (*Mr. Lawson.*) That contradicts something you said before. You said it is not only a matter of interpretation of regulations, but also that in the personal conduct of the business the Customs fall short of the Inland Revenue. Do you adhere to that?—Yes, I adhere to that. I think that the Customs officers are not so sharp as the Inland Revenue officers.

24,381. (*Mr. Hanbury.*) Although with the Inland Revenue officers, according to your account, there are 10 doing the work that five might do?—No, I did not say 10. I said that more work would be got out of the officers.

24,382. I understood you to say they took twice as long as they ought to?—Not twice as long, but if it was a private establishment there would be more work got out of them.

24,383. (*Mr. Lawson.*) You have known both departments, of course, locally, for some years?—Yes.

24,384. Do you consider that the Customs have advanced in that time?—Yes.

24,385. They have, but not so much as the Inland Revenue?—No. I can show you a letter from a firm in Leith. I asked the writer how he was working just before I came away, and told him I was coming here. He wrote to me, "We have yours of Saturday, and see "that you are to be before their honours this week as "to the Customs and Excise. They would certainly "be better to be joined, but as we do with the former "we have no cause of complaint now. Certainly, some "years ago there was too much red tape, and it took a "few hours to clear what was required, but now it is "different, and we get on very smoothly with them. "Certainly, it would save expense to the Government "if they were joined, and I am astonished this has "not been done long ago. I am, yours truly, A. "Cairns." That is an Edinburgh firm.

24,386. In your opinion there is a good deal of leeway still to be made up by the Customs?—I think so.

24,387. (*Chairman.*) In that letter there is no question of leeway; it is a question of expense rather?—Yes.

24,388. I rather want to get at this point of expense, because it is contrary to all the evidence we have had that the officers are not tolerably fully employed. How could you substantiate your idea that a fewer number of officers could do the work?—I think a fewer number of officers could do the work, and I would have a better supervision of them. I think the supervisor has far too much to do.

24,389. (*Mr. Hanbury.*) But that is in the Excise?—In the Excise. Of course I cannot speak for the Customs.

24,390. (*Mr. Harvey.*) You will allow me to point out to you that the point that we are upon is not as to your grievances against a Government department, generally upon that we might all agree with you, and might see the force of your objection. We want you to direct your mind, if you will, to these points which have reference to the union of the service. Clearly, if the service be united or remain as it is it must be better that men should work longer hours and do more work in that time so far as economy is concerned?—But I am not making any grievance against any of them, for I have no grievance against any of them; not one. I have not a grievance against any of the departments; but my opinion is that it would be better to have one Board, one set of instructions, and one set of officers.

24,391. (*Mr. Hanbury.*) Is that from the point of view of the trader, or from the point of view of the Government?—From the point of view both of the Government and of the trader.

24,392. (*Mr. Lawson.*) I understand the whole drift of your evidence is, that it would be a great convenience to the trade if you had to deal with one Board, and one set of regulations interpreted in one way?—Yes, that is so, and it would be a great saving of expense too.

24,393. What, to the trade?—No, to the Government.

24,394. Would it be a saving of expense to you? Do you think any expense is involved in the double dealing?—Yes, I think so.

24,395. You were particularly of opinion that that was the case in respect to warehousing and making entries?—Yes. You see if a cargo of rum comes in—500 or 600 casks of rum to Glasgow—the officer will gauge 20 or 30 in a day, and, therefore, it will take 10 or 12 days before he gets over this lot. Then you cannot remove that rum unless by authority from the collector, into an Excise bond. Hence there is a great expense in quay rent and several other things, whereas if you had it under the Excise you could remove it all in eight or 10 days or a fortnight.

24,396. (*Mr. Harvey.*) Then do I understand that so far as warehousing is concerned there are different regulations drawn up by the Excise from those drawn up by the Customs?—There are some slight differences, but the Customs first inform us, go over all this rum, and gauge it for the obscuration, for the strength; then the despatches are sent from the Customs to the Excise, and then the Excise take it up, but before they get that done, there are eight or 10 days delay.

24,397. Now look at that book (*handing the witness a copy of the warehousing regulations*). That seems to imply that the regulations for warehousing were identica whether for Customs warehouses or Excise warehouses?—Yes, very likely they are now.

24,398. If that be so, what does your complaint come to?—My complaint is that it is gauged for the obscuration on the quay by the Customs, instead of after it gets to the warehouses in Glasgow.

24,399. Before it comes into the Inland Revenue warehouse?—Before it gets within the warehouses at all. If we could take it direct from the quay, and put it into the Excise warehouse, and let the Excise take the strength at the warehouse for the obscuration, then we could stow it away as soon as we got it, but as it is, the whiskey or the rum is taken for obscuration on the quay, and it has to be lying there until the despatch comes from Customs, to see whether it is correct. Then the Excise gauge it when it comes in to warehouse.

24,400. (*Mr. Lawson.*) There is a double process?—There is a double process.

24,401. Which is unnecessary?—It is quite necessary to be gauged at the quay, and it is quite necessary to be gauged when it comes in, because something might have been done to it on transit, but at the same time it is not necessary to take a sample at the quay, and

Mr. R. Brown
27 Feb. 1889.

keep that stuff lying on the quay till they get to know what it is.

24,402. (*Mr Harvey.*) Is not that a question of bad administration? Without any reference as to whether that administration is of a dual or a single character, might not that be altered without in any way touching upon the general question of amalgamation?—It might be quite well.

24,403. (*Mr. Lawson.*) On the other hand, do not you consider that it springs directly from this duality of administration?—I think so.

24,404. (*Mr. Hanbury.*) How long, if the thing were properly gauged according to your view, ought it to be on the quay?—It should not be on the quay more than 10 days or a fortnight.

24,405. How long is it now, a month?—Six weeks sometimes.

24,406. Do you mean to say that it makes a difference of a month?—I can give you an instance I think of the last cargo that came in. A firm here imports on an average about three boat-loads of rum in a year; their warehouses are all under the Excise, and every cask (there are about 600 casks used in every cargo) must be tested for obscuration before they can do anything with them. In the meantime the casks may be moved off the quay by permission of the collector, but they must be kept in the warehouse for the re-examination by the Excise before they can be put away and stowed. If there were only one system, the whole cargo of rum, 600 casks, might be easily moved from the quay in two weeks. But under the present system it takes more than double that time.

24,407. (*Mr. Hanbury.*) Then how is the extra fortnight occupied; in correspondence?—In getting the obscuration done.

24,408. The obscuration must be taken?—Yes; but I say there is no reason why the liquor should not be taken out of the Excise bond for obscuration, instead of at the quay.

24,409–10. Then if this testing for obscuration took place in the warehouse, would not that time be lost?—It would, because they would not do the obscuration in a day or two; it takes a long time.

24,411. It has to be done?—Yes, it has, but it could be done after the cask was in the warehouse as well as on the quay.

24,412. That is your point?—Yes. That is the point. I say that the casks could easily be taken away and warehoused, and the liquor taken out and sampled, and the obscuration done after they were warehoused, and not keep them on the quay. If they were under the Excise it all could be done in that way, or if they were under the Customs it all could be done in that way.

24,413. (*Mr. Lawson.*) What is the average time a cask would be kept on the quay in that manner?—There is one instance ——

24,414. The average time?—I do not know about that; I could not tell you about that.

24,415. (*Mr. Harvey.*) The first examination is done by the Customs, is not it?—By the Customs, yes.

24,416. The second examination is done by the Excise?—Yes.

24,417. Is not there an advantage to the public in that?—In what way?

24,418. That is what I want to know; whether in your opinion there is any advantage to the public?—I do not think there is any advantage to the public in that, because we would take any of the ways that they would do it. We are quite agreeable to take it by obscuration or to take it by gauging.

24,419. (*Chairman.*) What is the great objection to the casks remaining on the quay?—Quay rents. There was 18*l.* 10*s.* of quay rent in one case.

24,420. Are quay rents more expensive than warehouse rents?—Certainly. The quay rent of this one particular lot was 18*l.* 10*s.*, whereas there would be none if we got it into our own warehouse.

24,421. Then your complaints in that respect, and those of the trade, would be satisfied if the cargo could be taken straight from the ship and put into the warehouse, under proper guard?—Yes.

24,422. And then one test applied for the strength of the spirits in the warehouse?—You must have two; you must have one at the ship and one at the warehouse.

24,423. I do not quite see why you should have one at the ship and one at the warehouse?—There might be a loss of strength.

24,424. Supposing they were under the charge of Custom House officers?—There might be a loss to the revenue in transit if the strengths were not what they were at the ship. The strengths must be all tried at the ship for this reason: it would not do to put a cask of rum out and not know the strength, because there might be a loss between the quay and the warehouse.

24,425. (*Mr. Hanbury.*) By the ship you meant on the quay?—Yes.

24,426. Then it would have to be on the quay for a certain time in order to go through that first test?—Yes, for a day or two, but not for a month; there is the difference.

24,427. How long would it be, about a fortnight?—Yes, about a fortnight. I think we would save a fortnight's time if it was under the Excise. Certainly there would require to be two testings: a testing on the quay and a testing at the warehouse again; we could never get over that.

24,428. I know, but as I understood you the delay on the quay occurs from the long time it takes to make this first test?—That is so.

24,429. Then I want to know from you under what system it would take only a fortnight to make that first test instead of the month, which you say it takes now?—I will show you. When the goods would be taken out the officer would gauge them all, say, 20 or 30 casks a day. At that rate he would get over the whole lot, and then we could remove them after he had gauged them there without taking away the liquor for obscuration; he would take no sample at all, merely gauge them and try the strengths and send them to an Excise warehouse; then take the sample for obscuration. Take a month if you like in testing the obscuration, but let us take the stuff to the warehouse and not have to keep it on the quay.

24,430. Is there any reason why that should not be done now?—No reason at all. The reason is that there is no law. They will not allow the Excise to touch it until they get the Custom House despatch, and that takes the time. There is no reason whatever.

24,431. But that is a thing that might be altered without amalgamation of the Boards, might not it?—Certainly, it could be altered without amalgamation of the Boards.

24,432. (*Mr. Lawson.*) That, of course, presupposes that there were a disposition on the part of both departments to fit in their arrangements with one another?—Yes, there is a little jealousy, but I do not think there should be practically.

24,433. So far as your experience goes, there has not been that readiness in the past?—No.

24,434. Is there any reason to expect it in the future?—I think so. I think they are a good deal better than they were.

24,435. (*Mr. Hanbury.*) If that were done it would remove your principle grievance?—Yes, it would, if they were all agreeable.

24,436. (*Chairman.*) If there was a thoroughly harmonious working between the two Boards and between the two sets of officers, would you see the same force in recommending amalgamation that you do now?—Except for economy, I think we should get far more. I think we should save the country more.

24,437. You think you would get more work out of the same officers?—Yes.

24,438. (*Mr. Lawson.*) And even from the point of view of harmony, you think the best means of attaining it would be by amalgamation?—I think so.

24,439. (*Mr. Hanbury.*) From this point of getting more work out of the officers, do you think the Excise officers would do more work under an amalgamated Board than they do at present?—No, but they would do more work if you had better rules. If there was not so much expected from a supervisor he could see that the officers would do more work.

24,440. I know, but that Board can deal with its own officers now, and alter these rules. You do not want an amalgamation of the two Boards to alter the duties

of the supervisors?—No, but you want economy for the country all through, do not you, or should do?

24,441. That is exactly what we want to get at. I want to know how an amalgamated Board would distribute the work of the supervisors better than it is distributed now?—I do not know that an amalgamated Board might bring about that, but I say, from my own knowledge, that I think more work could be got out of the officers in both departments. Certainly there is a good deal of double work that would only require to be done once.

24,442. That is exactly what we want to get at, if you can tell us that?—All this obscuration is not done by itself. The Custom House officers have to do it, and the Excise officers have to do it, there is double work.

24,443. But still there would always have to be these tests, as I understand?—Not necessarily.

24,444. I think you said just now that it was necessary?—Not for obscuration.

24,445. (*Chairman.*) Not for obscuration?—No. It is only done once.

24,446. (*Mr. Lawson.*) Are there two tests for obscuration now?—No, I think not; I think there is only one test for obscuration with the Customs.

24,447. I mean two tests at the Customs and at the Inland Revenue?—No, I think not. I do not think the Inland Revenue test it by obscuration. They can do it, but I do not think they do.

24,448. (*Mr. Hanbury.*) As I understand you, there are two tests now, and, in your opinion, both those tests are necessary?—No.

24,449. I meant gauging and obscuration. I will not call it testing?—They first gauge them, and then they take a sample down for obscuration at the quay. I think gauging at the quay would do quite well, and then they could take a sample for the next test, the obscuration, at the warehouse.

24,450. (*Chairman.*) Gauge on the quay side, take the goods under proper charge from the quay side to the warehouse, and then take your samples for obscuration when the goods are warehoused; is that your point?—Yes, that would save a good deal of work.

24,451. (*Mr. Lawson.*) With regard to the Supervisor of Excise, and what you have said as to his duties, I suppose you contend that he has too many details to look after?—Yes, he has to go over the officers work too much, I think.

24,452. (*Mr. Hanbury.*) I should like to make this quite clear with reference to the duplication of work at the present moment. Where is it that the work is done twice over?—It is not, I suppose, done twice over, but there is some of it that could be saved.

24,453. Will you tell me some that could be saved?—I could not exactly point it out to you. I do not know the regulations of the Excise so well as that, to tell you.

24,454. From your point of view as a trader, do you from your knowledge as a trader see where work could be saved in either department?—Yes, I will tell you one instance. If we ship 200 or 300 cases of whiskey, one set of papers could do quite well to go down and send the ship away, but there is another set of officers required at the Custom House to do the same thing.

24,455. To do the same thing?—The self same thing; clear the work out, clear the cases.

24,456. Tell me exactly what you mean by clearing the cases?—The forms we have to go through. I cannot tell you exactly what they are, because my clerks do it, I never did one myself; they pass entries in the Excise, and then they have to go down to the Custom House, and pass entries in the Custom House.

24,457. For exactly the same thing?—For exactly the same thing.

24,458. (*Mr. Lawson.*) That is a duplication of work pure and simple?—Yes.

24,459. (*Mr. Hanbury.*) Is it exactly the same work that is done at the warehouse and at the ship's side?—That is a different thing. This is exporting I mean now.

24,460. And you say it is owing to the fact that there are two departments that you have these two different sets of papers?—Yes, and the same thing coming in. It has to come through the Custom House. The officers must do their work in the Custom House, whereas if it was coming direct to the warehouse it would be all done in the warehouse. I cannot tell you the exact papers we have to pass, but such is the case. We have to pass these papers.

24,461. You have yourself said there is a danger of a loss to the Revenue between the ship and the warehouse. Is it not, therefore, necessary to have these two sets of papers?—It is not necessary to have the work done at the Custom House after it has been done at the Excise warehouse, employing extra officers down there to pass a few papers.

24,462. (*Mr. Lawson.*) What I understand is that the guarantee to the Revenue is just as good when the first set of papers are taken out as when the second are?—Yes, that is it.

24,463. (*Mr. Hanbury.*) You think as long as you have two separate Boards you will have those two sets of papers?—I think so. You cannot help it unless you make it all one.

24,464. (*Chairman.*) Is there any other point that you wish to bring before us?—No, there is no other point. Of course it is only my opinion that I am giving.

24,465. (*Mr. Hanbury.*) Is that the only instance of this doubling of work that you can give?—No, there are plenty more, but I did not think of bringing you instances of that up.

24,466. I meant to say that they are not so serious that they have impressed themselves on your mind so that you can tell us at once?—Oh, dear, no; I have no grievance at all.

24,467. (*Mr. Lawson.*) I understand that before coming here you have consulted a great many other traders like yourself, and that they are of one opinion with you on this matter, is that so?—Yes, that is so, and there is an instance in the letter I read. Still, of course, some say, We are under the Customs; we are doing well enough; and so they are quite content.

24,468. What is the opinion of the majority?—I think Excise.

24,469. I am not asking whether they are in favour of Excise or of Customs, but whether they are in favour of amalgamation?—In favour of amalgamation.

24,470. (*Chairman.*) Are you a member of the Warehousekeepers' Association in Glasgow?—I am not.

24,471. That association, as you probably know, has declared against amalgamation?—Have they?

24,472. As a matter of fact, there was a meeting called in favour of amalgamation and they decided against it so far as the bonded warehousekeepers are concerned; therefore, apparently, they would not quite agree with you?—That would appear to be so.

24,473. They would, no doubt, have their own motives and reasons?—It would depend from what point of view they looked at it. I have no earthly interest in the matter, except that I know a good deal about the Excise, and I think that all along they would work it better. I fancy they would work it better.

The witness withdrew.

Adjourned till to-morrow at 12.

SEVENTY-FIRST DAY.

7, Whitehall Place, S.W., Thursday, February 28, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

RIGHT HON H. H. FOWLER, M.P.
SIR C. E. LEWIS, BART,, M.P.
MR. A. B. FREEMAN-MITFORD, C.B.
MR. R. W. HANBURY, M.P.
MR. H. L. W. LAWSON, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

MR. CHARLES GOLDING BARRETT called and examined.

Mr. C. G. Barrett.

28 Feb. 1889.

24,474. (*Chairman.*) Are you a collector of Inland Revenue?—Yes, at King's Lynn.

24,475. What staff have you in the district of King's Lynn that you are responsible for?—I have what is called a "Collection" in which I have a staff of about 30 officers of different ranks, but that is extending over a very wide district of country, including portions of about eight counties.

24,476. But the centre of the district is King's Lynn?—King's Lynn is the headquarters.

24,477. That is the centre of the district?—Yes.

24,478. In those numbers you have given do you include the Surveyors of Taxes?—No.

24,479. The staff you have given are those directly under your control—Inland Revenue officers proper?—Yes, I can give you the exact numbers. I have not reckoned them up, but they are about 30. There are four supervisors, 21 officers, and several officiating officers, young officers.

24,480. As you know we are now inquiring into the amalgamation of the Boards of Inland Revenue and Customs?—Yes, so I understand.

24,481. We should be anxious to learn from your knowledge of the district of King's Lynn how far there is any duplication of work or how far there could be any economy effected by bringing under one Board of Revenue, the Customs and Inland Revenue work at King's Lynn. Are you familiar at all with the business of the Customs?—I have made it my business to ascertain it as far as I could without any unpleasant or offensive inquiry. I know the staff at King's Lynn. There is a Collector, who is an official occupying the same position as myself (I am called a Collector) and he has in the office two clerks. One of those acts as the examining officer for the warehouses, the warehouses being those places in which the duty is charged upon spirits and wine.

24,482. Are all the warehouses in King's Lynn Customs warehouses?—Yes there are four.

24,483. Are there any Inland Revenue bonded warehouses?—Not at King's Lynn.

24,484. The Customs are responsible for all the warehouse business?—They are. In addition to that the Collector has an examining officer and another out door officer under him, and of course sufficient boatmen to examine the vessels that come in and to search for customable goods and do the general business of the port. Then he has several creeks or ports under him, the most important of which is Boston, which really is now a more important port than King's Lynn. I think that at Boston there are some very small amounts of duty actually collected as Customs duty on imported articles which is not the case at King's Lynn.

24,485. Are there no imports at King's Lynn?—There are no duty paying imports.

24,486. But still all imports have to be searched to see whether they are dutiable?—Yes, certainly, the prevention of smuggling is a most important duty. At Boston that is not quite the sole duty that they have to perform, and I believe they have a larger staff. I have not the opportunity of knowing what at Boston—but the number of the whole staff is no doubt given in the estimates. There are three smaller ports, Wisbech is one; to Wisbech some grain is brought and some timber, but nothing customable.

24,487. We shall get that from the Collector of Customs, who is coming?—Yes. There are one or two very much smaller ports, that is all.

24,488. I only ask you whether you, being tolerably familiar with the amount of Customs work there, see any advantage, and, if so, what, that would be obtained by amalgamation?—It appears to me unquestionable that a certain amount of advantage must be obtained by amalgamation in a case like this in which officers are crossing one another constantly, are going over precisely the same ground, and are doing duties of a similar nature with which both are or might be made familiar.

24,489. Will you give us an instance of where the duties cross, and where the officers of the respective departments go over the same ground?—My officer at King's Lynn surveys, for instance, a brewery where a large amount of duty is charged on one side of the street. On the opposite side of the same street, within a stone's throw, there is a duty free warehouse where the Customs House officer, who is also a clerk, charges the duties on spirits. They are actually within a stone's throw of one another, and must constantly meet and pass one another. They are not doing precisely the same duties, but it amounts to the same in effect. They are merely charging revenue on the different forms of intoxicating liquor.

24,490. Do you mean to say that if there was an amalgamation, one of those officers could be dispensed with altogether. Would there be a reduction of staff in that direction?—Yes, I think so. As I have already stated, the work of the Customs charging duty is not the whole work of one man. It is only a portion of the work of one of the in-door clerks. They actually, themselves, are not devoting one man to it. Now I have a number of officers; their work is always fluctuating, and their work is of such a nature that they must be in attendance at certain times of the day, but they are not equally busy at all times, and my own private opinion is that my officers, by a rearrangement of their work, could so take over those duty free warehouses that they could do the entire business there with the present staff, except perhaps in the busiest times, when I might be obliged to put in an officiator. I can give that opinion. I cannot, not really having gone through the work of the warehouses, do more than give you an opinion, but I will give you a reason for it. The amount of money that I collect very considerably exceeds 200,000*l.* a year; the amount of money collected by the Customs does not amount to 12,000*l.* a year. Now I think that that small amount of additional revenue could be collected without any great additional expense by our department while we should, of course, dispense with that portion of the Customs Department which does it.

24,491. That portion of the Customs Department certainly, that is to say, as a very large per-centage of the customs duties are collected of course in warehouses, if the warehouses were under the control of one Board instead of being as now, under the control of both,

although under one code of regulations, to that extent you would be able easily to work it?—Yes.

24,492. But what do you say with reference to the other Customs duties which are altogether outside the warehouses and which, though they do not appear to be very important, so far as regards the amount of money collected, yet from the point of view of the protection of the revenue are surely worth considering?—Undoubtedly they are most important.

24,493. With reference to those duties, do you think, considering what the work is, that the head officer, or other officers of the Revenue at King's Lynn would be able to take both sides of the revenue duty?—The duties that are performed are performed by officers exactly such as we have ourselves, that is to say, the higher portion of the work. They are admitted by similar examinations, they are men of similar qualifications, men who could perfectly easily learn whichever side they had to learn in the period which we allow for instruction. A considerable amount of the work of which you are speaking is actually performed by men of what I might, I think, call a lower grade than that. The men who do the actual rummaging, which no doubt is very important work, are merely men who probably would have a sufficient acuteness and knowledge of stowage, and knowledge of the tricks that might be played by those who are stowing, to enable them to find out what was doing, but you know that is not very high intellectual work.

24,494. Of course there is a class of men in the Customs, and must be a class of men in the Customs, of lower rank and lower qualifications than those in the Inland Revenue?—There must be, because there must be boatmen.

24,495. And those men must always exist?—Yes.

24,496. Do you think that in King's Lynn—I rather think that it does seem to be your opinion—there can be a consolidation of the two sides of the revenue?—I do not wish to be selfish in my opinion, but I am compelled to say that it is my opinion that the work that has to be done on the other side, with a certain amount of study and instruction, could be done by one collector controlling the whole staff.

24,497. Do you know at all what the opinion of the traders is?—The traders make no complaint. I find no complaints in Lynn.

24,498. Do you find any difficulty from any differences of opinion that may exist between you and the Customs with regard to the interpretation of the code?—I have no opportunity of finding any difficulty because the Customs hold all the warehouses in Lynn, and all other warehouses that I had in other places have by recent rearrangements been removed to another collection, so that now I only collect what we call Inland Revenue duties.

24,499. In fact you do not come into contact with the Customs at all?—Not in any way on doubtful points or in the way of collision. We have very slight communications with them now and again. Sometimes a matter will turn up in which the Customs think that there has been some little smuggling going on in tobacco or something of that kind sent inland, and on one or two occasions they have communicated with me so that my officers who form a sort of net work all over the country might co-operate with them in searching for these articles. I have always given them every possible assistance in that way.

24,500. And you and the Customs work perfectly harmoniously in that respect?—Perfectly.

24,501. But you think that there could be an economy in a reduction of staff by bringing it all under one head?—Yes.

24,502. (*Mr. Freeman-Mitford.*) Are your men fully occupied?—Yes.

24,503. How many hours do they work a day?—We do not restrict them to any hours. We require them to do all the work that has to be done in their stations at whatever time of the day or night it may come on.

24,504. Their time is fully taken up with the duties of the Inland Revenue, is it?—It is so far fully taken up that I could not allot it out in such a way that it could be done by any less number of men. If you will allow me I will explain. The way in which we charge one of our largest duties is by observing the operations of the brewers. You are aware that the duty is large now upon beer, but the officers are not all day long at the breweries; they must attend at certain operations, and take the accounts at these operations in order to enable us to charge the duty. They would possibly have time in between that—in fact they have—in which to discharge very many other duties. I am of opinion, as I said before, that I could so arrange their work by allotting away from one to another, and passing work on, that I could bring in this small additional amount of work which is not one man's work in the day, and probably not half a day, among them; that is all.

24,505. Then you could not reduce your actual staff and yet carry on your actual work efficiently?—No, I could not.

24,506. And yet you could throw further work upon your actual staff?—Certainly a small amount.

24,507. Is the Customs work at Lynn a small amount of work?—It is what I said. I am speaking now of the revenue work. I hope you will fully understand me—that I do not refer to anything but the revenue work.

24,508. When you say you could undertake this extra work the natural question which suggests itself to my mind is are your men fully occupied now, and could not you reduce your staff?—I consider that, as far as the work of the Customs outside the actual collection of the revenue is concerned, in all probability it would be necessary to continue the out-door staff that is doing it, because it does not appear to me possible to allot that duty to my officers; but the work that I was speaking of just now in which the duty is collected in a few, I think it is four, small duty free warehouses, a small amount of duty amounting to about 11,000*l.* a year, which I assure you is a very small amount of duty to charge upon spirits, I think could be allotted among my officers without increasing my staff. I should not think it my duty to recommend to the Board any addition to the staff for the sake of that small amount of work. I think they could amply do the extra amount of collection; but I think it might be my duty to employ an officiator at the busiest times. We always have young officers who are officiators; they are always on hand to take the business of the officers who are ill.

24,509. Then, as a matter of fact, you could abolish the whole of the Customs staff and yet do the Customs work?—When you speak of the Customs staff you are referring I think to the staff that has the collection of the duty.

24,510. We have to consider the whole subject—we have not to consider any portion of the staff—we must not split hairs. Can you or can you not effect such a reduction as will enable you to do away with a considerable portion of the Customs staff, no matter how they are employed at present?—I think that I could make arrangements which would enable you to do away with a portion of the staff—the controlling one, the collector and the two clerks in the office, one of whom does this work of the duty free warehouses; but I am not sure that I could, because it is impossible for me to know what statistical work they have.

24,511. Then in fact you are not certain whether you can effect a reduction?—I am certain I could effect a reduction; but I am not certain that I could effect so much reduction as I spoke of.

24,512. (*Mr. Hanbury.*) What is the number of the people employed in the two offices?—I have three clerks in my office.

24,513. I mean to say in your establishment in the Inland Revenue Department with which you are connected—31 are not there?—Taking all through the country—the collection I have running into eight counties—I have about 30 or nearly 30. There are four supervisors, three clerks in my own office, 21 officers and a variable number of assistants, now I have three.

24,514. So far as the Inland revenue is concerned, you are talking of the whole of that area; but so far as the Customs is concerned you are only giving evidence as to Lynn, I understand?—It certainly causes an amount of confusion. I do not wish to cause any. I can only state to you with regard to the revenue that is brought in, that is the most important point to me. I say that the collection of the revenue that is brought in at Lynn is what we could take over without adding to our staff; but I have already stated that the out-door work such as rummaging ships and the work of statistics which is now being done and filling up the

Mr. C. G. Barrett.

28 Feb. 1889.

time of a man entirely in each case must still be done—a man's work is always a man's work.

24,515. You say that your department could to a certain extent take over the work of the Customs at Lynn?—Yes.

24,516. I want to know how many Inland Revenue officers there are at Lynn, and how many Custom House officers there are at Lynn?—Besides myself, there are three Inland Revenue officers at Lynn, in the town, and besides the Collector of Customs there are two clerks, one of whom acts also as officer.

24,517. That is seven is it, what have you?—I have, as I have said, three clerks. You see the Customs have mixed the duties of their clerk and their officer together, which we do not do.

24,518. I do not care about their duties, I want to know their actual numbers at Lynn?—The actual number of official persons belonging to my department in Lynn is six, and that for the Customs is three, besides the out-door officers. I cannot tell you about the out-door department. You see that extends right down the port and to the creeks or sub-ports.

24,519. If the two departments were amalgamated, how many would be wanted then, according to your view?—I think eight.

24,520. That is a saving of one?—That is a saving of two, is it not? I think there would be a saving of two—that is my impression.

24,521. Do you mean one of these two saved would be the collector himself?—Certainly.

24,522. You suggest that there should be one collector?—Certainly. The whole thing hinges upon that question. It would be the collector, undoubtedly, and I think one of his clerks, who could be saved.

24,523. Do you think the collector, if he had double duties, would want increased pay?—I am the collector.

24,524. Should you want increased pay?—For that small addition I do not think I should.

24,525. Then you say you would want extra assistance occasionally, and you would have to call in an officiator to help you?—Yes, someone to do the extra work, undoubtedly, but then I have the officiators always. They are young men upon a low rate of salary, who only receive full salary when they are officiating.

24,526. What do officiators do?—When an officer is ill, they take his place.

24,527. When that officer is not ill, what do they do?—I am sorry to say they sometimes have to do nothing.

24,528. Is that so?—Yes.

24,529. And these are the men that you would call in to do the extra work?—Yes.

24,530. And they would do that work, I suppose, without any extra salary?—Certainly not; they would get their full salary then—2*s.* or 3*s.* additional a day, according to the work they were doing.

24,531. I understood you to say they draw a salary whether they do work or not?—Yes, a small salary. They draw a salary of 50*l.* a year, whether they do any work or not.

24,532. And if they have this extra work to do, would you still have to pay them in addition?—We should have to give them 2*s.* a day more.

24,533. (*Mr. Freeman-Mitford.*) Is there any correspondence between the two departments?—As far as Lynn is concerned, are you asking?

24,534. I am not talking to you about anything else but Lynn, of course?—No.

24,535. You have no correspondence together?—No.

24,536. You never write a letter to the Customs, or the Customs to you?—No, I have never done so since I have been there. I have never had occasion to.

24,537. (*Chairman.*) Have you much correspondence with your Board in London?—Certainly, very much indeed.

24,538. (*Mr Hanbury.*) And you know of no complaints from the trade in your district?—No, I think not; I do not remember any.

24,539. Has your experience been a long one now?—I have only been 2½ years in Lynn, but I am an officer of 30 years experience, and more.

24,540. (*Chairman.*) Does any other point occur to you upon this question which you might usefully bring before us?—There is a very small point that I did not mention just now. I think I had not exactly an opportunity of doing so. It is this: this small amount of revenue that is collected in Lynn by the Customs is actually upon spirits that have been received inland, and no doubt a very large portion of it, spirits actually distilled in this country, manufactured in this country, and what you might say were not customable goods at all, purely inland goods, none whatever has been received from the port.

24,541. You mean that there are no foreign spirits imported into the King's Lynn district—not in Boston even?—No, they are not imported through the port. You must understand that they may keep them in stock, but those foreign spirits would come from the inland portions of the country or from some other port.

24,542. Then the Customs duty in the King's Lynn district appears to be principally confined to examining all sorts of other goods, mostly duty free, which are landed in the district which would have of course to be examined?—That is, I should judge, exactly the case.

24,543. Therefore the work which the Customs have to do there and in similar districts can hardly fairly be measured by the actual revenue received?—No.

24,544. Because the point of view of protection must not be forgotton?—I fully agree with you there, it is so undoubtedly. I have got here particulars of the actual imports at King's Lynn, but they would be, perhaps, of no particular interest to you. If you wish it I could mention them.

24,545. Perhaps you might give them shortly. Are you taking now the whole district?—Yes. I think that they would be similar at Boston—grain, timber, oilcake, seeds for making cake, sulphur-ore, bone ash, and nitrate of soda for the manufacture of manure.

24,546. What is the total amount in value?—I have no idea. I have no means of knowing that.

24,547. All these goods have to be examined to see whether there are any smuggled goods among them?—Yes.

24,548. And with reference to all of them returns have to be sent to the Statistical Department in order that the Board of Trade may issue its tabulated return of the imports of the country?—So I understand.

24,549. That work is of course done by the Customs?—Yes.

24,550. Although none of these goods pay duty?—No. Then there is a number of different materials brought in by the Hamburg steamers—flour, sugar, eggs, vinegar, starch, treacle, leather, cases of glass, earthenware, toys, and similar articles.

24,551. Speaking generally, would it be fair to say that they are a very general class of articles which are imported into the district?—Yes.

24,552. (*Mr. Hanbury.*) How many officiators have you got in your district?—Three, now.

The witness withdrew.

Mr. Andrew Riddell called and examined.

Mr. A. Riddell.

24,553. (*Chairman.*) Are you the Collector of Customs at King's Lynn?—I am; of King's Lynn and the Wash district.

24,554. But King's Lynn is your headquarters?—It is the head port.

24,555. It is the name by which your collection is known?—It is. I am also Receiver of Wreck for the district, and I am also the Superintendent of Mercantile Marine for the district, and also Registrar for the Royal Naval Reserve for the district.

24,556. They are all the different duties which are undertaken by Customs officers, are they not?—The three latter ones are all under the Board of Trade and are taken by Custom house officers.

24,557. You are responsible for sending up statistics of trade to the Board of Trade?—Yes.

24,558. (*Mr. Hanbury.*) Are these attached to your duties as Customs officer?—Yes, the three latter appointments are under the Board of Trade; they are exclusive of the Customs, but I have to do the duties for my salary as Collector of Customs.

24,559. (*Chairman.*) The extra duties which you have just enumerated, I do not know whether you have exhaustively enumerated them or not?—No.

24,560. These extra duties are performed by you as Collector of the Customs, and your successor—I understand you are now leaving?—I am.

24,561. Will equally fulfil those duties without any pay beyond that which he receives as Collector of Customs?—Exactly.

24,562. Do those duties take up very much of your time?—A considerable portion of my time.

24,563. How many officers have you in your district?—Twenty.

24,564. In these 20 do you include boatmen?—I include the whole establishment of the district.

24,565. The whole of the establishment that you work the district with?—Yes, the whole district.

24,566. Had you experience of similar districts in any other parts of England before you went there?—Not of districts, but of ports. I have been all over the Kingdom nearly. I have been to Ireland and South Wales.

24,567. Then your experience has been a wide one. We are anxious to have your opinion upon this question of the proposed amalgamation of the two departments, not the merging of them in either one or the other, not from that point of view, but the suggestion that one Revenue Department might do all the collection of revenue. What is your experience, and what is your view upon that?—The collection of revenue and warehouse is the only thing that is similar to the Excise, that is so far as the collection of revenue proper, but then there is a Preventive Service, which is a portion of what you may call the collection of revenue, being for the protection of revenue. There is nothing similar to that in the Excise that I am aware of.

24,568. (*Mr. Freeman-Mitford.*) Is not that done by naval officers?—No. The coast is protected for revenue purposes by the coastguard, but we take charge of all ships arriving from foreign parts, and the landing of free and dutiable goods and such as come under the Merchandise Marks Act, and with all these we have to be exceedingly careful.

24,569. (*Chairman.*) What are your distinct relations with the coastguard now?—We have no other relations whatever, with the exception of their collecting light dues, and receiving coast documents at out stations where there are no Customs officers.

24,570. Have you no official relations with the coastguard?—None, with the exception that I have power to appoint them at different stations as deputy receivers of wreck, and as previously stated.

24,571. Is that a distinctly Board of Trade business, not a Customs business?—Distinctly Board of Trade, but it comes to me in my official capacity as Collector of Customs. It is not Customs work. We are, so to say, at small ports amalgamated in some degree with the Board of Trade.

24,572. Then again, to ask you generally what is your view, looking at it from the point of view of administration, of the possibility of affecting administrative economies. Do you think that the suggestion can be worked out with advantage to the public service?—I do not think so, not an entire amalgamation.

24,573. To what extent would you be in favour of amalgamation?—The only thing possible as being in common with the Customs and the Excise is the warehousing.

24,574. Take the concrete instance of King's Lynn, where all the warehouses are under the charge of the Customs, I believe?—Yes.

24,575. Therefore that question of the amalgamation of the warehouses hardly arises there; there is no difficulty as to the interpretation of the code in that place?—None whatever.

24,576. Because it is all interpreted by yourselves?—Yes.

24,577. But with reference to the other work, do you think that at King's Lynn any administrative economy could be effected by there being one collector who should assume your duties and the duties which are performed by your colleague of the Inland Revenue at the same time?—I do not think there could, because the warehouses only cost us about 100*l.* a year if we take the duties that are given towards the warehouses from our salaries.

Mr. A. Riddell.

28 Feb. 1889.

24,578. Leaving out the warehouses altogether, do you think that a gentleman in the position of yourself, or a gentleman in the position of your colleague at the Inland Revenue, the collector at King's Lynn, either of you, not talking of the individuals, but regarding him as an ideal collector, could do all of the Government revenue work in the present district?—Not with the present staff.

24,579. Then do you think that would be an administrative economy to move in that direction?—It is very doubtful, because the Collector of Customs ought to be within call continually. First of all, I have no official hours, I am always on duty. As Receiver of Wreck, I do not know at what hour of the day or night I might have a telegram that a ship is on shore on the coast and asking for instructions or whatever it may be. In the same way as Collector of Customs, in the capacity of Surveyor, I am expected to attend the quays, to superintend the landing of cargoes, and to see that the out-door officers and examining officers do their duty at all hours of the night as well as by day.

24,580. Are those duties which you perform of value to the Revenue?—They are of great value to the Revenue so far as the protection of the Revenue is concerned.

24,581. Then if you were called away from those duties to be sitting at the receipt of Inland Revenue, would it be an interference with your present work, do you think?—Of course there would have to be another inspector as it were. To give you an idea—suppose that a cargo of free goods arrived in packages from Hamburg we will say, which is one of our principal ports now, and rather a dangerous port, contraband goods could be enclosed in these packages. We have to examine one package in five of every mark. We have to examine every single mark. Suppose there were 100 boxes and they were all singly marked, we should have to examine the 100 boxes, not only to find that there was nothing in them except free goods, but also for the purposes of the Merchandise Marks Act, and if the goods had any marks contrary to the Act we should have to stop those goods, and in all this I, as surveyor, have to exercise very frequent supervision.

24,582. Then I may take it that your staff and yourself are fully employed?—Fully employed, what with superintending the district and visiting the out stations. Boston is an important port and a rising port. We do not receive a very large amount of duties there—about 500*l.* a year, upon beer principally—but we have a large staff there for the protection of the Revenue. We have eight men there altogether.

24,583. I understand you to say that supposing the supreme control of the Revenue in that district, both Inland Revenue proper and Customs proper were put under one administrative head, one controller, or whatever he might be called, if there was not an increase at all events there would not be a diminution of the staff?—Decidedly not.

24,584. That is to say there would have to be some one responsible for those duties, and a more responsible officer than your immediate subordinate is now, somebody of higher rank than he is?—Yes. The Excise, as you are aware, have inspectors. The supervisors do the duty of Surveyor of Customs, that is they inspect the different breweries and so forth, so that the collector has not to do that duty I believe, but a collector of Customs in small ports as I am is both collector and surveyor, or what you may term collector and supervisor.

24,585. You unite the offices of collector and surveyor?—Yes.

24,586. Do you know whether the collector of Inland Revenue is an officer of higher pay than yourself?—He is a higher salaried man than I am.

24,587. How do the salaries of your subordinates correspond with those paid to officers doing similar work in the Inland Revenue, so far as you are aware?—So far as I am aware I think they are about similar,

Mr. A. Riddell.

28 Feb. 1889.

but then there is a difference in our subordinates; the Excise have no boatmen, for instance.

24,588. They are a class of men that do not come into consideration in the Inland Revenue at all; they are a lower class of officers?—They are a lower class of officers. Then there are outdoor officers, the next class above the boatmen; they do not come into consideration in the Inland Revenue I believe.

24,589. Take the supervisors and collectors; would they come in?—They would come in about the same, that is, the supervisors' work in some degree corresponds with that of the collectors at small ports.

24,590. Are the men in the two services pretty much the same sort of men as regards standing and education?—I am not prepared to say that. The people in the Inland Revenue all commence in the same position; we do not do so.

24,591. Do you see any difficulty, in the event of amalgamation being brought about, in arranging the respective positions and salaries of the officers in these departments?—I cannot answer that question. The only difficulty that I can see is this: I cannot see that a Customs officer could be an Excise officer one day and a Customs officer the next day, because I think that it is necessary that all Customs men—that is, the examining officers, the tide waiters, and the boatmen—should have a practical knowledge of shipping, because it is a very responsible office that they hold. They have to board ships, and the out-door officers, under the supervision of the examining officers, have to rummage these ships very minutely and very often; and they ought to know all about the internal construction of ships, and they ought (to use a nautical phrase) to have their sea legs, because sometimes we have to go on board ships in very rough weather.

24,592. Clearly in any scheme of amalgamation, the special duties of a class of men doing the work which you have just been stating to us would have to be kept separate and would in fact constitute a special class?—That is my opinion.

24,593. But if you take the higher class of men in the Customs in your district, how far do you think their duties would be interchangeable with those of the Inland Revenue?—The clerks may be able to do the Inland Revenue duties.

24,594. I take it for granted that with the clerks and the warehouses there is no difference between the Inland Revenue and the Customs work?—There is none whatever, they are exactly similar as regards the warehouses, but the clerks in the Customs have to assist in administering the Merchant Shipping, Fishing Boats, and other Acts under Board of Trade management.

24,595. Have you had any statement from traders with reference to this question?—None whatever.

24,596. So far as you are aware in your district and in any other districts, that you have had anything to do with, have you had any representation made to you upon this question?—None whatever.

24,597. So far as you know is there any call on the part of the traders for this proposed amalgamation?—At Boston for instance, the warehouses were with the Customs; then they were transferred to the Excise, but I suppose the staff under the Excise is not quite large enough for them to be always on the spot when traders require goods out of bond, as I have been told that sometimes the traders are inconvenienced by having to wait till an officer is found. We on the other hand are always on the spot. The gentleman who does warehousing duty at Lynn is a clerk and an examining officer, and he does the whole warehousing duty as well as clerical duty in the office.

24,598. Are there warehouses at Boston belonging to the Customs?—None belonging to the Customs.

24,599. They are all Inland Revenue at Boston and all Customs at King's Lynn?—All Customs at King's Lynn and all Inland Revenue at Boston.

24,600. Can you say which system works best?—Both systems so far as the warehouses are concerned, are the same.

24,601. I mean the system of being controlled by different departments?—There is no difference so far as the warehouses are concerned—none—only that the warehouses are controlled by the supervisor and not by the collector, I believe, in the Excise. The warehouses in the Customs are controlled by the collector who for the time being becomes what we call a surveyor, except at large ports where there are surveyors as well as collectors.

24,602. I suppose a question of the interpretation of the warehouse code arising at Boston would be submitted to the collector of Inland Revenue at King's Lynn, would it not—is not he responsible?—No; he is not the collector for Boston—it is the collector at Lincoln, I think.

24,603. At all events it would go to an Inland Revenue collector?—Yes; any question that might arise with reference to warehousing goods would I think be submitted to the collector of Inland Revenue, but I am not quite sure whether the supervisor reports direct to the Board of Inland Revenue or not.

24,604. From your experience and knowledge of Boston and of those warehouses which are under the management of the Inland Revenue there, can you say whether any questions have arisen as to difficulties, owing to the different interpretation of the code affecting warehouses?—Not that I am aware of. We could almost do the warehousing work as well as the work that we at present do.

24,605. Do you mean at Boston?—Yes, at Boston with the same staff.

24,606. Clearly you are in favour of the warehouses being administered by one department, at all events, in each place?—Yes.

24,607. (*Mr. Hanbury.*) And there would be no practical inconvenience in doing that, you think?—None whatever that I am aware of.

24,608. (*Mr. Lawson.*) I take it there would be a great practical gain?—It might be a practical gain.

24,609. (*Chairman.*) In your experience, has there been any rivalry between the departments in order to keep traders where there is a double set of warehouses, or is that quite outside your experience?—That is quite outside my experience.

24,610. In none of the places you have been in has there been this possible rivalry between the departments?—I am not aware of it—I know but very little of the Excise. We do not mix together as officials in any way, so that I am not able to answer that question.

24,611. (*Mr. Lawson.*) Would you explain that a little further; you say you do not mix together, and you hold no communication?—We do not associate,—that is, socially. We simply bow to each other in the street; I do not know the Collector of Inland Revenue as a personal friend, though we live in the same town.

24,612. You know his name?—Yes, and I know him personally so far as I have had official communication with him; but we do not visit each other.

24,613. Would you say that your relations were of a cordial character?—They are of a cordial character, so far as we are officially concerned; but I mean we do not associate, so that I do not know what his feeling in the matter may be.

24,614. Supposing a difficulty arises, would it be possible for you to have an informal conference with him?—Immediately, if occasion arises. If I heard of any smuggling or anything of that kind I would immediately have an interview.

24,615. I am thinking more of this, supposing a point of difficulty arises regarding the interpretation of the code, is it your custom to write an official communication to him, or to have an informal talk over the matter?—No, I do not think I should do that, I should telegraph to our own Board immediately if there was any difficulty or report the case.

24,616. Have you never known a question of difficulty arise?—No, I do not see how a difficulty could arise at a small port, the code is so distinct and so plain. We have never had any difficulty whatever.

24,617. Have you never had difficulties in the interpretation of the code?—None whatever, so far as I am concerned.

24,618. Have you had many complaints from traders on questions with reference to the code which required settlement from your Board?—No, none. I may explain, probably, because we have not very large operations in bond, such as vattings, rackings, blendings, and fortifying wines. We have not those operations going on as they have in very large ports.

24,619. Are there any operations going on at all in your warehouses, in King's Lynn particularly?—We have to rack occasionally, and re-pack for ships' stores.

24,620. (*Mr. Freeman-Mitford.*) I think we may gather from you that it is your opinion that an officer in your position in the Customs must have had a certain amount of technical training in regard to shipping?—Yes.

24,621. It would therefore be necessary, if there were any amalgamation between the two services, that those officers which should be selected under the united Board for the position which you occupy should have had that training?—It is my opinion.

24,622. Moreover, you told us that they would have had to have a considerable experience in the rummaging of ships?—Exactly so.

24,623. And even you went a step beyond that, and said that they must really be men who are capable of going on board ship in rough weather?—We have to pull boats in very rough weather, and one duty of an examining officer is to know how to manage them.

24,624. Have you been on board yourself?—I do not go there now, but I have been in that capacity.

24,625. You have worked your way up in the various grades, so you know what the various duties of each man in the Customs are?—I have gone through all those duties with the exception of those of out-door officer and boatman.

24,626. And you consider that the man who has had simply Inland Revenue training could not be capable of taking over those duties?—You may imagine putting a landsman in a boat in rough weather, without bring trained, what a state he would be in.

24,627. You perform a great number of cognate duties, if I may say so, connected with shipping which are not actually Custom House duties?—Yes.

24,628. The due performance of those duties, I suppose, also involves a certain amount of technical knowledge in connexion with shipping, does it not?—Yes, it does.

24,629. And that is work which could not by any possibility, I imagine, if you have described it properly, be taken over by what you called just now a mere landsman?—The superintendent's duty might, because it is clerical work, the shipping and discharging of crews, the issue of money orders and the paying of money orders, and the deposit of money in the Seamen's Savings Bank, the receiving and examining wages and effects of deceased seamen; all those come in as part of my duty.

24,630. But there are some of those duties that you described just now which are strictly technical, are they not. I mean those outside duties beyond the Customs?—The wreck work is outside, and I think it is necessary that a man should have some technical knowledge of shipping.

24,631. Do you mean constructive knowledge, that is, knowledge of the construction of ships?—No. I mean knowing what to do. A ship may come ashore perhaps without anyone on board. When you get there you must take charge of her and decide what is best to be done for the protection of property and all concerned, till you find the owner or Lloyd's agent or somebody else who may turn up. Those are things that we very often have to do.

24,632. Then in fact you, I take it, are of opinion that it would not be a very wise or expedient measure to amalgamate the two departments?—I do not see that they really can be thoroughly amalgamated, that is, that an officer of the Customs cannot be very well one day an officer of the Customs and then transferred to do Inland Revenue work; but it is far easier, I think, for an officer of the Customs to do Inland Revenue work than for an Inland Revenue officer to do Customs work, for the very things that I have just mentioned, that he has to go on board ships in rough weather, and to do boating, &c., and rummaging.

24,633. (*Mr. Lawson.*) Whilst you are of that opinion I suppose you would admit that there is a greater distinction between some of the work done in the Inland Revenue office as between stamps and taxes and excise, than there is between work done jointly in the two departments of Inland Revenue and Customs in respect of warehousing?—I suppose so; but I do not know anything of the Inland Revenue work.

24,634. Would not you say that there was less difference between the warehousing duty which in some parts is done both by Inland Revenue and Customs than there is between work done in respect of stamps and excise?—There is no difference in warehousing at all.

24,635. Therefore you are in favour of consolidating at least the warehousing of the two departments?—They are virtually consolidated now.

24,636. In your own port but not everywhere?—I meant as to the way the duties are performed. The duties in warehouses whether they are under the Excise or under the Customs are performed under exactly the same code.

24,637. I am not dealing with that. They are performed under the same code, but they are not performed of course under the same department?—No, not under the same department.

24,638. There are two sets of officers, are there, engaged in warehousing work?—Yes.

24,639. Do not you think it would be a great advantage if, as in your own case, it were generally provided that only one set of officers should do the warehousing work?—I do not see any advantage in it.

24,640. Do not you think it has been an advantage in your own case or would you like two departments to do the work in your own case?—We do the whole, and the warehouses are really with us, so that we do not clash with any other department.

24,641. (*Mr. Hanbury.*) As I understand, within your area at the present moment, there are two sets of officers dealing with warehouses; at Boston solely Inland Revenue officers, and at Lynn solely Custom House officers?—Exactly.

24,642. (*Mr. Lawson.*) That I understood. I was asking whether from your experience in your own district you think it would be a wise thing to carry that out generally?—It would not benefit anyone in any way in my opinion.

24,643. Do you think it is a very good thing then, though not in your own district, that the warehousing duty in big ports should be in the hands of two sets of officers belonging to two departments?—I am not prepared to give an answer to that question.

24,644. I imagine that an officer of your rank in the service does not do much of the work on board ship?—Not on board ship, but on the quay we do.

24,645. As a matter of fact you do not board the ship, do you?—I do go on board sometimes. I do not rummage, but I merely go there to see that my officers have been there, and that they do their duty properly.

24,646. Of course the greatest part of your work is that of supervision?—It is nearly all supervision. I keep some of the cash books and I do clerical work as well.

24,647. Do you think, as a matter of fact, at the present time you are doing clerical work that might be done by a subordinate?—It could not be done by a subordinate, because I should have to superintend it, or someone else would.

24,648. You say you do clerical work yourself?—I keep cash books.

24,649. Do we understand that your own time is fully occupied?—Fully occupied.

24,650. And that of all your officers?—All the officers. In the Customs it is rather difficult. Not every day, but probably we might have a rush. For instance, in my own port, I think a month ago we had quite a rush of ships. The public required that they should work all night, for three nights; our staff is not a large one.

24,651. That is not usual?—Not usual, but it sometimes occurs. Once a week we are generally up one night, when the Hamburg boat arrives. They never stop, they continually work; our officers then have to give attendance. Of course they are paid overtime for it, and I have to pay a visit two hours before midnight, and if they work well on into the night I have also to pay a visit two hours after midnight.

24,652. They are paid overtime for this work you say?—They are.

24,653. At the same time I daresay on other days they are not occupied to a very large extent?—It is quite impossible to say, because contrary winds may keep ships back, and then you have a rush of ships.

24,654. If they are paid overtime for this particular work, it is not looked upon as making up for the leisure

Mr. A. Riddell.

28 Feb. 1889

that they have had?—No, it is because the public demand dispatch.

24,655. Then you are of opinion that they could not possibly do any larger amount of duty than they do at the present time?—They could not. I forgot to mention that our Hamburg trade has rather declined. They are now trying to re-establish it, and if they do not do so, there is a proposal now before the Board to reduce the staff still further.

24,656. How long has that proposal been before the Board?—It has been before the Board about two or three months but now there is a company formed and they are connected with an influential London company who are trying to re-establish the trade and they at present run one boat a week.

24,657. What is the total number of your staff at Lynn?—Seven at Lynn.

24,658. Do you think it could be reduced?—If the Hamburg trade does not increase I have proposed to the Board that it may be reduced.

24,659. Surely that is a little contradictory to the answer you gave me just now, that the time of your men is fully taken up?—In the outdoor department I meant. It is a clerk that would go.

24,660. Is your clerical staff fully occupied at present?—Yes.

24,661. If you can reduce it, that can hardly be?—They are fully occupied, but then I should have to take a little more clerical work; a book or two, or something of that kind.

24,662. If you can dispense with the service of a clerk, or reduce your establishment in any way, it is evident by that fact that it is in excess of the proper standard?—That is simply because the trade has recently fallen through.

24,663. I understand that perfectly?—It is quite impossible to send a man away the following day, because there is the probability of the trade reviving again.

24,664. Supposing this depression is permanent, and your establishment is reduced, your work of supervision will become proportionately less?—No; my work of supervision will be the same, because I have to go round the docks; the only difference that it will make will be that I shall not have quite so much night work to perform.

24,665. Then you think that, no matter how lasting the depression, it will not be possible for your officers to give any more time to the State?—Not in the outdoor department; please distinctly to understand that. There is a difference between the indoor and the outdoor. There are two clerks who have nothing whatever to do with the outdoor department, except the warehouses, and we have a very small outdoor staff; only one examining officer, two boatmen, and one outdoor officer.

24,666. With your experience, do not you think there is a very great advantage in your own case, in your own district, in having the establishment, at Lynn, under one department, and not under two, and in the same way in having the establishment at Boston under the other?—I think that probably there would be an advantage if the warehouses were transferred back to the Customs at Boston, as we have a staff there which would be almost able to do the duties.

24,667. You would not then object to absorption of the Inland Revenue work in the Customs, so far as it is concerned with warehousing?—Not at Boston.

24,668. (*Mr. Hanbury*) You have mentioned a great number of multifarious duties which are done by you as collector outside the ordinary Customs work?—Yes.

24,669. Is it usual for gentlemen in your position in other districts to do all those duties?—At all small ports where there is not a mercantile marine office established under the Board of Trade.

24,670. They do the whole of the duties which you have described with regard to wrecks and seamen, and other work of that kind?—Yes.

24,671. Supposing the Inland Revenue, we will say, were to absorb the Customs, could the collector of Inland Revenue, one collector, do all the work which is now done by the collector of Inland Revenue in addition to the work of the Customs and this other outside work?—He could not possibly do the whole without an increase of staff.

24,672. Could one collector do it, I mean?—No, it would be quite impossible, if he had also to do outdoor duty as I have to do.

24,673. He would want an increase of staff you say?—Decidedly he would, because he could not go outside continually, and be also at the receipt of revenue.

24,674. Let us take a concrete instance. Take your own district. What is the salary of the Inland Revenue collector?—475*l.*, rising to 500*l.* a year I believe.

24,675. What is yours?—300*l.*

24,676. Supposing the collector of Inland Revenue were to take over both departments (of course you cannot answer for him), do you think that he would do the whole of the work for the same salary?—I cannot answer that question.

24,677. You do not think that is very likely?—I cannot answer that question. If he was told to do so, he would have to do so.

24,678. If you were abolished someone else would have to take your place you say?—Yes.

24,679. What sort of officer?—I should say in that case the collector of Inland Revenue would have two supervisors added to the staff.

24,680. Supposing there were one collector instead of two, and you were the collector who was abolished, who would have to do your work?—The supervisor would.

24,681. Do you think one supervisor would do it?—No, it would be quite impossible for one to take the whole district.

24,682. What is the salary of a supervisor?—I think he rises to 300*l.* I am not quite sure. He is about the same standing as myself, as far as salary is concerned.

24,683. Is it your opinion that there would be any saving in point of salaries by such an amalgamation?—I doubt it very much, but I am not prepared to give a decisive answer.

24,684. How long have you been at Lynn?—Three years.

24,685. As you are retiring I suppose you have reached the maximum salary?—I am not retiring, I am sorry to say.

24,686. I thought you were?—No. I have been promoted to another port—to the Isle of Man.

24,687. (*Chairman.*) Is there any other point which occurs to you which you would like to mention upon this subject?—I do not know of any other point. Only that I should like you to distinctly understand that I am not simply a collector of Customs, in the receipt of Customs, but it is all these multifarious duties that I have to perform which fully occupy my time.

24,688. (*Mr. Hanbury.*) Your salary all comes from the Customs, does it not?—It all comes from the Customs, with the exception of an allowance that is made by the Board of Trade for Royal Naval Reserve work.

24,689. (*Mr. Freeman-Mitford.*) What amount is that?—I think 45*l.* was received last year.

24,690. (*Mr. Hanbury.*) How is that paid; I mean to say on what principle?—Upon the number of men that are enrolled, and the number of retainers paid, and the number of men that are sent to drill, and the general interest taken in the Reserve.

24,691. Do you get so much a head?—I do not know how they manage. We have to send returns of all documents issued, and then the Board of Trade allow a certain amount of money, the amount they awarded to me was 45*l.*, which I have to share between the officers doing a portion of the clerical duty in the district.

24,692. What proportion of these multifarious duties is really Customs work proper?—The collection and protection of the revenue and general supervision of the district.

24,693. How much of your time is occupied on Customs work proper; half of it, or two-thirds, or what, do you suppose?—It is most difficult to apportion it, because you are doing both works, sometimes, together. You are probably doing surveyors' work and probably may want to inquire about some man or other who is required on behalf of the Board of Trade. There is another thing that we have to do. When an investigation takes place in a case of wreck we detain witnesses. We take all their statements, which we send up to the solicitor, and it is from those statements that he prepares his brief when these examinations

take place before the Wreck Commissioner, so that a collector of Customs in a small port like Lynn, and all up to, I think, 400*l.*, is everything. He is continually at work at different duties.

24,694. If the collector of Customs did not undertake these outside duties, is there any other Government officer who could do the work so well?—I am not prepared to say.

24,695. At Lynn, within your own knowledge?—There is no other Government officer there except the Excise officers.

24,696. There are only those two to choose from?—Yes.

24,697. (*Mr. Freeman-Mitford.*) Then if the two departments were amalgamated, would not the Excise officer naturally have to do it?—I am not sure. I do not know what arrangements would be come to by the Board of Trade

24,698. (*Mr. Hanbury.*) But there is no other Government officer there who could do it?—There is no other Government officer there. If the collector of Excise were to do the whole work there would be a departmental arrangement how the work was to be performed.

Mr. A. Riddell.

28 Feb. 1889.

24,699. My point is this: This outside work, connected neither with the Customs nor with the Excise, has to be done by some officer of the Government?—Yes.

24,700. And there is no officer of the Government to whom this work could be given except the Customs officer or the Excise officer?—Just so.

24,701. Do I understand you to say this, that there is so much connected with the sea, requiring a man who has, as I think you said, got his sea legs, that an Excise officer probably would not be able to do that work?—He would not immediately; it would be necessary that he should be trained to it, because there is another duty that we have to do that I quite omitted, and which is an important one,—quarantine duty; which is part of our duties as officers of Customs.

The witness withdrew.

Mr. JOHN MOLINEUX, C.B., called and examined.

24,702. (*Chairman.*) I think you are the chief inspector of Excise at the headquarters here in London?—Yes.

24,703. I may take it that you have had a varied experience of the office?—I have had a long experience at the office.

24,704. Have you always been in London at headquarters?—No. I have been about 25 years there.

24,705. You are entirely concerned with the Excise in London?—Entirely with the Excise throughout the United Kingdom.

24,706. You do not deal with taxes at all?—No.

24,707. There is a chief inspector of taxes?—There is, Mr. Smiles.

24,708. And your work is purely confined to Excise?—Precisely.

24,709. I suppose you have formed an opinion upon the question of the suggested amalgamation of the Department with the Customs, or rather the formation of one Revenue Department, and possibly also you may know what Sir Algernon West's views are upon the subject?—Yes, I am familar with his views.

24,710. Possibly you are familiar also with the evidence that he has given before this Commission?—Yes.

24,711. Perhaps the best way is for me to ask you what your view is upon the subject?—In the first place I should look at it from two points of view; first, is amalgamation practicable? It was my duty in connexion with a sub-committee on which I was appointed to travel all round the kingdom and to examine the work at almost every port in the kingdom with the Customs officials. The result of my observations is that I believe it to be perfectly practicable for the officers of either department to do the work of the other.

24,712. Would you apply that remark to all the grades of officers or would you distinguish?—To all the grades of the outdoor service in both departments except the lowest grade, such as boatmen.

24,713. What would you say of the kind of work more especially connected with shipping which is done by Customs officers at some of the ports or districts, at all events, on behalf of the Board of Trade, in connexion with wrecks, the Naval Reserve, and questions of that kind?—I am not fully acquainted with the work. There are many duties to be performed by the Customs of a very important nature no doubt, partly for statistical purposes and partly on the ground of health—quarantine, the landing of cattle, the registry of ships, and other work in connexion with the Board of Trade statistics, which is all very important work, but all simple in its character, so that any Revenue clerk or officer with a comparatively short experience would be able to do it. There is nothing very intricate or difficult about it, so far as I am able to judge.

24,714. Are there not some of the duties which rather pre-suppose a knowledge of shipping. Take for instance questions connected with the light dues and wrecks?—The light dues are easily calculated. I believe they are all tabulated, and the officers have to calculate the dues from the tonnage of the ship, and from the lights passed in making the voyage. It does not appear to me that there is any great difficulty in the work.

Mr. J. Molineux, C.B.

24,715. What do you say as to wrecks for example?—In the case of wrecks the Customs officers have to inquire certainly into the circumstances of the wreck and to take possession of anything saved from the wreck, but in that respect especially I think the Inland Revenue officers would be very useful because many of them are stationed along the coast at very considerable distances from a Customs port, and there appears to me to be nothing in the nature of the work in taking the depositions of the sailors and other persons of so difficult a character that anybody of average intelligence could not undertake it.

24,716. Then your opinion is generally that you think from what you have seen and known, that it is quite practicable to amalgamate all the work of the Customs and Inland Revenue all round the coast?—Yes. I think so most distinctly, and I say emphatically, that that is my opinion.

24,717. Therefore you say it is practicable?—Yes, I think so.

24,718. What is your next point; whether it is desirable I suppose, or whether it is economical: take it in your own way?—I think it is very desirable that this amalgamation should take place from several points of view. In the first place it would be economical. There are 54 Collectors of Customs at the ports in the kingdom, and in 23 of those places we have Collectors of Inland Revenue. It appears to me that for all purposes of collecting the revenue in most of those 23 places two collectors are quite unnecessary.

24,719. In most of those places?—Yes, most of those 23 places. I would not say, for example, in places like Liverpool and Glasgow, until some experience had been gained in the management of an amalgamated department, whether it would not be necessary to maintain the two collectors for a time.

24,720. But in a place like King's Lynn, from which we happened to have had the collectors on both sides this morning?—There could not be the smallest reason for the maintenance of the two collectors at the same place.

24,721. (*Mr. Hanbury.*) You limit that to the purposes of collecting the Revenue?—Collecting the Revenue.

24,722. You are not taking into consideration the other duties that the collectors of Customs have to perform?—I am not for the moment taking that into consideration. But in many places the collectors act as surveyors, and the duties of the surveyor of Customs, so far as relates to the warehouses and taking accounts for duties, are precisely the duties which the supervisors of Excise discharge.

24,723. I was referring to the other outside duties under the Board of Trade, and other offices which the collectors of Customs do?—Quite so. I do not see any reason why the collector of Inland Revenue could not undertake such duties.

24,724. (*Chairman.*) Do you see any difficulty that might arise from the want of personal attendance and attention on the part of a superior officer, which from any of these duties may be naturally looked for by

Mr. J. Molineux, C.B.

28 Feb. 1889.

traders and other people at those ports?—I think it would probably be necessary in the event of an amalgamation, and putting the duties in any port now under a collector of Inland Revenue and a collector of Customs, under one, to re-arrange the Excise collections so as to retain the collector in the port as much as possible. At present our collectors have distant districts to visit, and though they do not travel on circuit of collection as they did formerly when they had to go twice every quarter to collect the revenue in the various market towns within the limits of their collection, still they have occasionally to visit for purposes of discipline distant districts in their collections. It may be necessary to re-arrange the Excise collection so as much as possible to retain the collectors in the port, but all that would be a matter of re-arrangement. It would appear to me to be not attended with any great difficulty.

24,725. Then, I understand you to say that it would be economical in the first place because there are many places (I think 23) in which there are collectors of Inland Revenue as well as Customs, where you might be able to do with one collector?—I think in many of them one collector would be sufficient.

24,726. Would it be a difference more than in name?—Yes, very much more than in name.

24,727. Do you think it would really be a substantial reduction in staff?—That is my opinion, that it would be a substantial amalgamation in respect of the collector's duties.

24,728. By which you mean the duties now done by a collector, on whichever side he may be?—Quite so.

24,729. All the work?—Yes, I think so.

24,730. One Government Revenue officer of a superior character at these different places, in your view, would be able to do the joint duty?—That is my view, distinctly.

24,731. Being so strongly in favour of amalgamation, to what extent do you think you could carry it out? Have you worked it out at all?—I did not prepare any scheme. I did not deem it prudent to do that. I thought it would perhaps be rather presuming on my part to prepare any scheme; but in the first place, on the question of economy, about which we are just now speaking, it appears to me that there would be an economy of from 12,000*l.* to 15,000*l.* almost immediately.

24,732. Where would that be, at headquarters or at the ports?—That would be partly at headquarters; perhaps we might say from 5,000*l.* to 7,000*l.* at headquarters. At present you have two chairmen at a salary of 2,000*l.* each. Of course you would dispense with one of these. You have two Accountants and Controllers General. You would not want two in the case of amalgamation. You have two solicitors at 2,000*l.* each, and there are other officers in high positions and with very large salaries (some secretaries for instance) you would not require. At present there are two secretaries in the Inland Revenue, and one in the Customs, besides assistant secretaries. I think it would be perfectly practicable to reduce the number of chief secretaries to two in the case of amalgamation instead of three as at present; there would be a saving of 1,200*l.* in salary there.

24,733. Are you giving now not only your own opinions, but the opinions of others. Are you authorised at all in any way to say that that is the view of the Commissioners for instance?—I might say that I have conversed with Commissioners and with others, and I know that that is their view. I think that view has been put forward, in fact, by the Customs Department.

24,734. (*Mr. Freeman-Mitford.*) By the Customs Department?—I think so. I think in the statement made by the Customs which I saw, it was stated that they could save 4,000*l.* or 5,000*l.* at the head office.

24,735. (*Chairman.*) What do you say with reference to the members of the Inland Revenue Board itself. Are you prepared to express an opinion as to their views?—I should not like to say. There are three Commissioners, a chairman, and a deputy chairman—five altogether. At present there are three Commissioners at the Custom House including the chairman and the deputy chairman.

24,736. Are you prepared to say whether a controller and deputy controller in both cases would not be sufficient?—A controller to manage the whole department? I should be afraid to give an opinion as to that.

24,737. I quite appreciate that it may not be a question which you would like to answer?—No, it is rather difficult for me to give an opinion upon it; but supposing one of those gentlemen were ill, it would be an enormous department to be managed by one man having the supreme control.

24,738. The Inland Revenue?—The amalgamated department.

24,739. I am not talking of the amalgamated department?—So far as the Inland Revenue is concerned.

24,740. I am talking now of the Inland Revenue Board?—I think that the Board as it is now constituted is better from many points of view than a controller and a deputy controller would be, or a president or whatever you like to call him. I think it would give more satisfaction outside; a board would have greater authority in the minds of the people.

24,741. (*Mr. Fowler.*) The people?—Yes.

24,742. How do you define the people?—The taxpayers.

24,743. You do not mean the traders?—Yes, I mean the traders. The correspondence of the traders with the Board of Inland Revenue is very large, and if the thing was altogether in the hands of one man I think he would not command that confidence in the minds of those traders that a board does. That is my opinion. I did not expect to be asked questions upon that subject, but that is my view.

24,744. (*Mr. Hanbury.*) Would you apply that to other departments? Would you like to see boards at the head of the Home Office and the Foreign Office?—I think that there is a very considerable difference in the functions of a Revenue department from those of the Home Office and the Foreign Office. The Revenue Department has to correspond with an enormous number of persons all over the kingdom, traders of various kinds coming up for indulgence and for information on various matters.

24,745. (*Chairman.*) Then, I understand your view to be that you would desire to see a complete fusion of the two boards upon terms of equality?—Precisely.

24,746. That there should be Commissioners of Revenue equally responsible for the Inland Revenue on one side and for Customs on the other?—Quite so; that is my view.

24,747. You have told us what economies you think would follow at headquarters, have you not?—Yes. Then I think with respect to the collectors that there would be considerable economy in placing each outport in the hands of one collector instead of two. I jotted down roughly what I thought the several savings would come to at starting, and it appeared to me that from 12,000*l.* to 14,000*l.* would be certain to be realised as a saving almost immediately upon starting.

24,748. Is it your opinion that that would be attained without any complaint on behalf of traders?—Certainly, I think so, without any complaint on behalf of traders.

24,749. You think there would be no inconvenience caused to the public?—I do not think there would be the slightest inconvenience to the traders. Then there are other economies which would be certain to be realised hereafter. I spoke a little while ago about our officers being placed all round the coast. The fact is you cannot go into any town scarcely in the country where you do not find an Excise officer; but in many places there are principal coast officers and other officers of Customs placed at a considerable distance from their chief port, where their time, I think, cannot be fully employed; but they must be there as long as the present state of things exists, and as we have officers very near to these places, or living in them, it appears to me that there would be a very considerable economy in placing all the duties now performed by two sets of officers in the hands of one set. I think a good deal of economy would be effected in that way. There are many places again in large towns, such as Glasgow, where we have nine supervisors; and I do not know how many surveyors they have in the Customs; but I am quite sure there would be an economy in amalgamating surveyors of Customs with the supervisors of Excise, because in respect of the warehouses, where all the revenue is collected, they do precisely the same duties. There is no difference whatever in what they do in warehouses—the supervisor of Excise and the surveyor of Customs.

24,750. (*Mr. Hanbury.*) We have had it in evidence that those supervisors, I think in Glasgow itself, have got more work to do already than they are well capable of doing. Do you think that is so?—I am not aware that they have; in fact I could undertake to say (for I have lately examined the Glasgow work) that I am not able to support that view at all. We have nine supervisors, and I can say here confidently that they have not too much work to do. I believe that they are fully occupied, but in the case of amalgamation there might be arrangements by which some part of the work they do might be devolved upon other officers. I may perhaps mention as an illustration of that view that in the Customs they have two classes of examining officers. The first class of examining officers have salaries equal to some of our supervisors and I think some of the examination work which the supervisors of Excise do to a greater extent than the Customs surveyors might be devolved upon some of those men, so that by a rearrangement of the work and devolving some of the less important work upon the inferior officers I believe that there would be a considerable saving.

24,751. (*Chairman.*) To what further extent do you think you would carry your amalgamation?—So far as relates to economy I do not think I could say anything more definite at present, because I think it would have to be worked out by some considerable experience. I do not think that there would be very great economies beyond what I mentioned in the first instance, until after perhaps two or three years, because of course if you were to reduce the number of officers of any grade considerably, you would throw a burden upon the superannuation, and it would not be any real saving. The men are always dying or retiring from old age, and one thing or other; and as these retirements fall in, I believe that there would be rearrangements of the business, and work to be done which would lead to great economy.

24,752. Do you think there would be any difficulty, or do you know anything on that subject from the different salaries for corresponding work in the two departments?—I should like to speak with some reserve, with regard to the exact kind of work that is done by the officers of Customs, but the surveyors of Customs have much higher salaries than the supervisors of the Inland Revenue.

24,753. Do you think it would be possible to bring the surveyor of Customs down? Supposing that amalgamation was brought about, would the inevitable result be that, rightly or wrongly, there would be an expectation of levelling up rather than levelling down?—In regard to levelling up I am not quite sure from which side you look at it. The average salaries in the Customs would be about 206*l.* per annum.

24,754. Are you including the boatmen?—I am not including them. I am not including even the out-door officers. I will tell you my reason for excluding outdoor officers. They do not take all the duties that the charging officers, the examining officers, take. Out-door officers do not take account for revenue.

24,755. You exclude them?—Yes. If I come to compare officers that are doing analogous work I should say that the average salary in the Customs is 206*l.* per annum, whilst the average salary in the Inland Revenue for officers doing analogous work is 176*l.*

24,756. It is very difficult of course to compare them?—It is very difficult: that could not, of course, be stated with absolute accuracy.

24,757. I think those are the figures which Sir Algernon West gave us?—It is very likely he did, because he would probably look at it from the same point of view.

24,758. If you take a case like Glasgow, to which I think you referred, where you have nine supervisors, and where the Customs have surveyors also, practically, in your opinion, would amalgamation work out there?—Of course I will assume that at first, supposing amalgamation were determined, the first thing would be to amalgamate the Boards, the Commissioners; that would be the first thing. Then they would set to work and amalgamate their indoor staff very likely,; then they would go down into the country and amalgamate the outdoor officers, the rank and file. That would take some experience, but I should think it might be stated with certainty that the work of the surveyors of Customs, and that of the supervisors of Inland Revenue might be perfectly amalgamated, and that, in amalgamating their work, in a large place like Glasgow, I think there would be a saving in regard to the number of persons employed.

24,759. Will you take your next point?—The next point would be the convenience of merchants and traders. It appears to me that the present system leads to a good deal of delay in the transaction of business, and a good deal of inconvenience to traders who have to do business with two departments instead of one. Sometimes a merchant has goods stowed away in a Customs warehouse as well as in an Excise warehouse. In a very large city, they might be in warehouses at considerable distances apart. He would have to place himself in communication with two sets of officers to get his goods delivered. He would have to go to the Custom house to pay the duty for goods stowed in the Customs warehouse, and he would have to go to the Inland Revenue office—perhaps it might be a considerable distance from the Custom house—to pay the duty for goods in the Excise warehouse. It appears to me that that is an unnecessary labour, and inconvenience to trade. If he had to go to one office it would be much better.

24,760. (*Mr. Fowler.*) If they felt that inconvenience, do not you think they would complain of it?—Many persons have told me. I could not give names, but many gentlemen have told me that it is an absurd arrangement to have to deal with two departments. I do not remember ever to have spoken to a man in business during an experience of a good many years who has not stated to me that he thought it was a very bad arrangement to have two departments to manage work of a similar character. Surely in paying revenue duties, it should be sufficient to go to one office to pay in one town. That opinion has been expressed many times to me by persons who are engaged very largely in the spirit trade. Then that is not all. There is a good deal of dissatisfaction felt in the minds of traders at what they suppose to be discrepancy of practice in the two departments. It would be difficult for me to express fully the extent of that dissatisfaction, but it very often happens that traders complain that they can have certain privileges in the Customs which they cannot get in the Excise warehouse, and then we are told on the other hand that they go to the Customs House and say that they have privileges in the Inland Revenue bonds which they cannot get in the Customs.

24,761. Can you give us any instance of that?—Yes. Some time ago there came up a complaint to the Board that the Customs kept their warehouses open later than the Excise, and I believe there was a similar complaint made to the Customs that the Excise warehouses were kept open later than those under the Customs Board. Now, it is a matter often of very great importance to a trader to be able to get on with his work; instead of closing at four o'clock, he would very likely wish to remain there till six to arrange his casks, and to get ready for the next day's work, and, if one department say, "No, you must close punctually at four" and another says to the trader, "Well, it does not matter; you can keep open till six," it very much affects the trader's profits.

24,762. (*Chairman.*) We have not had any such case brought before us, and we are anxious to know whether, really as a practical matter, there has been any such case?—I think perhaps I can furnish you with one case at least, that occurred recently at Glasgow, in which there was a complaint made to the Board of Customs, that there were greater facilities given in the Inland Revenue warehouses, and the Customs Board communicated with the Board of Inland Revenue to know whether this was true or not. It turned out in the result that the case had been overstated by the merchants, and that the discrepancy in the times of closing was not anything like so great as had been represented, but that occasionally the officers had not been very strict in saying, "Now I must lock up and you must go."

24,763. At all events that is a matter of administrative detail?—Yes.

24,764. Which can be easily settled whether there were amalgamation or not. It would be very easy to make a general rule that all Government bonded warehouses should be closed at a certain hour, would not it?—There is a general rule that they close at four o'clock; that they open at eight and close at four in the summer, and open at nine in the winter and close at four; but in a widely scattered department like the Inland Revenue, and like that of the Customs, the officers are very much left to their own volition in the matter. The rule is to close at four o'clock.

Mr. J. Mouneux, C.B.

28 Feb. 1889.

24,765. You may take it from me, that we have had no statements from the traders so far, that they at all events complain. Will you take some other point?—Then this dissatisfaction is often expressed to the officers, and there is at the same time, I am bound to say, a spirit of rivalry between the two departments, which I think acts very unfavourably, and possibly prejudicially, to the interests of the revenue.

24,766. Could you give us an instance of that?—I am afraid I could scarcely quote a case at the present time, but I speak from a long experience—from actual observation—and I know that traders tell officers that they can get much better terms in the Customs; that they are more liberally treated. I do not say that they are; I do not wish it to be so understood. I believe that the Customs do their work well. I believe that each department does its work faithfully and truly, but it is stated so to the officers, and that acting upon the spirit of rivalry between the officers of the two departments, is to say the least very trying to them, and I think it does sometimes act prejudicially to the revenue. You saw, I think, on your visit to a warehouse the process of taking an account. We have to use the hydrometer to ascertain the strength of the spirit. The hydrometer is a very delicate instrument, and is very sensitive, and the accuracy of the account depends upon the accuracy of reading the hydrometer. If the indications of the hydrometer are not clearly and truly ascertained, you either charge too much duty or too little. If a trader said to an officer when he is taking account of spirits, "Now, do not be too hard; we get much more liberal treatment in the Customs," one can easily imagine that a weak officer might yield in some measure to the trader's representation, and be willing to give him good measure, as he would say. You might fancy that there is not very much in that, but, if you consider what an enormous revenue is collected from spirit, and that that revenue depends entirely upon taking the quantity and the strength accurately, you can see that any deviation from the truth in such very large quantities would effect the revenue considerably.

24,767. You have no reason to believe that such a state of things really has prevailed to any considerable extent, have you?—Not to a considerable extent. I believe that the officers on both sides may be relied upon for integrity and honesty, but at the same time I know what has been said. I knew what was said to myself many years ago when I was younger in the service, and in a station. In weighing spirits I have often been told that I was extremely rigid—too tight in weighing. A pound in the turn of a scale would make a difference of a gallon.

24,768. You think, if there was not another department, there would not be the same temptation to make things pleasant?—I think there is something in that. I am inclined to think that the rivalry between the two departments—the desire on the part of the officers of each department to maintain its ground, and to conciliate the traders that they work with, and to be popular, might act prejudicially to the revenue. I am inclined to think it does to some extent.

24,769. To go beyond that, will you take another point?—Then there is another point in regard to administration. There has been a good deal of discontent in the Inland Revenue on account of the terms and the conditions, of their service. They think that they have not been paid sufficient salaries for the work that they do.

24,770. Is that confined to the Inland Revenue?—No, I would not say it is; but the Inland Revenue officers complain that their salaries are not equal to the salaries of the Customs.

24,771. (*Mr. Lawson*). All the Inland Revenue officers?—The general body.

24,772. I mean from the highest to the lowest?—I could not say that. I am speaking now of the out-door service, the men who have to do with warehouses, and charge the duties. They are constantly comparing themselves with the officers of the other department, and representing that they are not serving on equal conditions and equal terms with the other officers. For instance the supervisors compare themselves with the surveyors of Customs, and this comparison is very frequently brought before the Board, and it does create a certain amount of discontent. All that would be done away with in the case of amalgamation.

24,773. (*Chairman.*) Are you aware whether the same statements, or similar statement, are not made by the Customs House officers to the effect that their salaries are not up to the standard of the Inland Revenue?—I am not aware of that, because that would not be in accordance with the facts of the case.

24,774. I think there is another view of the case possibly; but, at all events, your view is not only in the matters which you describe with reference to convenience of traders, but also as regards salaries; one department is in rivalry with another?—Yes, there is a good deal of that—a good deal of discontent engendered by the different rates of pay in the different grades of the two departments, and it makes administration very much more difficult, that is to maintain the relations in contentment on the part of the officers.

24,775. Can you say whether there are any such feelings now at the present moment?—Yes, I am sure there are such feelings.

24,776. More than the natural desire of every officer to get higher pay?—I have no doubt representations will be made to you: I understand that they are going to be made to that effect by some of the officers in our department.

24,777. And in your opinion the difficulty of dealing with such questions is increased by the fact that officers doing similar duty in the Customs are, as you say, higher paid?—I am quite certain it is. It is constantly referred to. I never visit the provinces in any of the distant stations without hearing that all they want is equality; that is what our people say: "All we want is equality."

24,778. (*Mr. Lawson.*) I suppose you count the supervisors in your service as being of the same class as the Surveyors of Customs?—Those are the two grades that our officers compare, and, without saying that the Surveyors of Customs have not some functions which our people have not, I should not like to undertake to estimate exactly what the functions of the Surveyors of Customs are, but I believe they do not differ very greatly from those of the supervisors, and the supervisors at any rate class themselves in their estimation with the Surveyors of Customs, and complain bitterly sometimes that they are not treated on equal terms. I think it would be much easier to deal with questions of that kind when all are under one Board.

24,779. Are you afraid of the levelling-up process going on under those changed circumstances?—No, I do not think so. I do not see where the levelling up is, if you speak of the Inland Revenue. The Inland Revenue officers themselves would consider the levelling up came from their side.

24,780. (*Chairman*) Would not your people want to have the same pay as the people on the other side in fact?—I think they would if the same pay would be maintained on the other side. I think it is probable there would be a re-arrangement of the work, and a re-classification that would perhaps benefit the one side a little.

24,781. (*Mr. Lawson.*) Let us take a supervisor in a first class district under the Inland Revenue. You see that he has a salary with a minimum of 300*l.*, and a maximum of 350*l.* If you turn to the Surveyor of Customs, you will find that the salary of a surveyor of the first class is a minimum of 490*l.* and a maximum of 550*l.*?—Yes: it is extremely difficult to justify that difference to the minds of our officers.

24,782. Therefore you think that the present inequality probably leads to greater complaint and possibly may induce the department to raise salaries to a greater degree than would be the case under an amalgamated Board?—I think we should be able to meet them better when one Board had to decide the merits of all our officers, to estimate the value of their work and settle it, I think all those comparisons would cease.

24,783. (*Chairman.*) That is a difficulty of administration I think, which you have pointed out to us?—Yes. Then again if there were an amalgamated Board there would be so much less delay in dealing with applications from merchants and tradesmen throughout the kingdom. With an assimilated code, with an identical code like ours, we cannot stir hand or foot scarcely now; if any applications come from the country for any deviations from the code we have to consider in the first place whether we can answer them without consulting the Customs first, and that very often leads to a considerable delay in the correspondence.

24,784. (*Mr. Fowler.*) Just give us a concrete illustration of that?—Suppose a merchant in Glasgow com-

plained that he was prevented from racking his spirits from smaller casks into larger casks, and the officers of Inland Revenue said We cannot allow you to do this, and he appealed to the Board of Inland Revenue whether he should not be allowed to do it, the Board of Inland Revenue before they could make any order upon the subject would have to go to the Customs to see whether they would agree to it. Now if there were one Board there would be no reference; there would be no delay, An application coming up for any alteration in the provisions of the code would be dealt with at once off hand. The paper would be referred to the principal practical officers, and on their report the Board would act according to its own judgement without reference to any other body,

24,785. (*Chairman.*) Do such cases as that happen frequently?—They happen frequently I might say applications come up and we say, "We cannot do this without consulting the Customs." The fact is according to the theory there cannot be any deviation from the conditions of the code without the consent of both parties. That is the principle.

24,786. (*Mr. Lawson.*) I suppose this involves a good deal of correspondence?—It does, when you consider that there are about 630 paragraphs in that code.

24,787. And consequently a good deal of clerical labour?—Yes.

24,788. Therefore you are of opinion that amalgamation would enable you to reduce the clerical establishment of a joint board?—I should think to some extent; I could not say how far it would affect the number of letters so as to reduce the clerical staff from that point of view only.

24,789. But you would not have this correspondence going on between the two departments?—You would not have that.

24,790. If a question arose it could be settled in the office by personal conference or by interchange of notes?—Quite so. The letters are not very numerous. I do not wish to overstate the case at all, and I hope I do not do so.

24,791. Give us some idea?—Perhaps there are 150 letters in the course of a year.

24,792. Altogether?—Yes, on either side.

24,793. Does that include the letters which are rendered necessary by the applications from the outports in consequence of the difference of interpretation?—No. In some cases it would be necessary to refer for further reports from the local officers, and that very likely would lead to a correspondence on both sides if it was for any material alteration.

24,794. You do not include that in your figure?—No. Then consider there are about 630 paragraphs in the code which has been in existence now for three years, and we have had to issue about I think 27 general orders modifying the code, and there have been several joint committees formed for considering modifications and alterations.

24,795. That is what you have to say upon the subject of these trade questions, What is the next point?—These are the main points. I think that amalgamation is practicable from my experience of many years during which I have examined into the question in every part of the kingdom both in the Inland Revenue and the Customs. I think, secondly, that it is highly desirable as tending to economy; to greater convenience of merchants and traders, to greater security for the Revenue and for the avoidance of discontent and rivalry between the two departments.

24,796. With respect to the point of commercial convenience you say you have consulted merchants upon that subject?—I have often spoken to them about it, I do not mean to say in a formal way, but incidentally, when I have been travelling, and I have invariably received from them the expression of an opinion favourable to placing the revenue departments under one Board. I have repeatedly received that expression of opinion.

24,797. (*Chairman.*) At the same time you may take it from me that we have not had any representations to us to the extent that we should have expected if that was the case?—I am only speaking of my experience.

24,798. If it is fair to ask you, do you see any objections to amalgamation. Do you see any difficulty, or are you entirely in favour of it?—I am entirely and strongly in favour of amalgamation. Of course I have no personal interest to serve in it in any way. I shall not be there very long to see anything done and carried out, but I am very strongly of opinion that it would work in the interests of the revenue, and for the convenience of trade. There are some difficulties in the way doubtless. In the time of transition there will be difficulties from want of experience in dealing with the work to which men have not been accustomed; but we take in perhaps from 70 to 100 new men every year, and I suppose the Customs take in probably pretty nearly an equal number, and as these young men enter the service they would gradually be introduced to the new work until they acquired familiarity with the work to be done all through. It appears to me that there is no difficulty in doing that. I cannot see that it can be any more difficult to rummage a ship than to examine a large distillery or brewery. An officer in a distillery has to make himself familiar with every part of it and all the utensils in it, and I do not think there is anything more difficult in the rummaging of a ship than there can be in that work. But in the event of amalgamation it would of course be necessary, for the avoidance of inconvenience and loss of efficiency, to carry out the changes gradually and with judgment.

24,799. (*Mr. Lawson.*) And as a matter of fact the rummaging of a ship is done in the Customs by officers of comparatively low grade?—Yes.

24,800. I mean a surveyor does not go on board a ship?—I think he does sometimes, but I do not think he undertakes the rummaging.

24,801. With regard to the warehousing part of the work of the two departments there would be of course no difficulty in at once consolidating it so far as the performance of duty goes, would there?—Not the slightest, because they are the same precisely.

24,802. The only sphere where you anticipate there might be some little inconvenience at first would be the water-guard duty?—Yes, and the work done for the Board of Trade, if there is any difficulty.

24,803. In any case you would not be in favour of getting rid of all the expert labour of the Customs?—No, certainly not. I have not said anything to minimise the importance of the work done by the Customs for the other departments. I think it is very important work; but at the same time I say that it is not work of such a difficult character that any Excise officer of proper standing and of average intelligence could not undertake it.

24,804. So far as the collection of statistical returns goes, there would be nothing new to the Excise officers in being the agents for that purpose, would there?—Our officers have to do work for other departments as well as the Customs. We collect all the agricultural returns; we collect the average corn returns, and lately the Board have consented to our officers undertaking some duty for the Land Commission in Ireland. They are going to collect the statistics, the prices of agricultural produce, and other things. Our officers find no difficulty in undertaking any kind of work that is placed before them. Many changes have taken place within my experience in the department in which work has been added to our office from other departments. For instance, all the assessed taxes were placed from the taxes to the Excise Department.

24,805. And I understand that you wish to make this point very clear to the Commission: that at the present time there is an agitation going on among the officers in your department for a rise of salary in consequence of a comparison of their own position with that of officers of a similar grade under the Customs?—Yes, certainly.

24,806. They say that as there is a correspondence of duty there ought to be some correspondence of pay, do they not?—Yes.

24,807. And that would be dangerous if not checked?—I would not say dangerous; but it is inconvenient to deal with.

24,808. And you think that the amalgamation would be a means of rectifying that without increasing the cost to the State?—Without increasing the total cost, certainly.

24,809. Do you think it would lead to a reduction instead of an increase?—I have no doubt it would. We have had several amalgamations. There was an amalgamation in 1835 of two Boards; the Stamp Board and the Taxes Board. That resulted in a very considerable saving—I do not know how much it was—some-

Mr. J. Molineux, C.B.
28 Feb. 1889.

where about 20,000*l.* I think. Then in 1848 there was an amalgamation of the Stamps and Taxes Board with the Excise Board. That led, I believe, to a very considerable saving; I do not know exactly how much, but a very large sum. The Excise collectors at that time took over the collection of all the duties of the taxes, and they collect all the taxes now. The amalgamation that took place in 1848 has been represented in some quarters as a failure; that is to say, it has been represented that it was no real amalgamation, that whilst it was under one Board that is all the amalgamation almost that took place, and that the departments are quite as distinct as ever. That statement is not strictly accurate, because it should be remembered that our old Excise collectors are now collectors of Inland Revenue to receive every kind of duty under the Board of Inland Revenue, taxes and stamps, and Excise, receiving the whole; so that the amount of revenue received by the Excise collector now amounts to a very enormous sum.

24,810. For all that there has been no complete amalgamation in the lower ranks between Excise and stamps and taxes has there?—The surveyors of taxes are perfectly distinct from other officers in the Inland Revenue. They do not do any Excise duty absolutely, nor do the Excise officers interfere with the surveyor in his proper functions. Nevertheless the one department very greatly assists the other. The surveyor of taxes assists the Excise very much in the assessment of licence duty which depends upon the valuation of houses. The surveyors of taxes are acquainted with all the valuations and by their help we are very often able to realise better revenue than we should do if it were not for their assistance.

24,811. And there has been a saving of course in the work of supervision?—In the inspection?

24,812. I mean by that amalgamation there has been a real saving in the highest grades of all?—Yes. There were officers called receiving inspectors formerly, tax officers. All those officers have been done away with. All that work is done by the collectors of Inland Revenue. Not only so, but there is a change going on in the collection of the taxes, and has been for some time, by which the collectors of Inland Revenue receive the taxes direct from the tax payers instead of the taxes being paid through the local parochial collectors. Wherever that system prevails (and it is being extended continually over the kingdom), the collector of Inland Revenue is the collector for taxes as well; but he always has associated with him an Excise officer, or two or three Excise officers, according to the circumstances, and these officers collect all the arrears. So that there is a very great deal of service rendered by the Excise officers to the Tax Department, and there is considerable assistance given by the surveyors of taxes in the assessment of licence duties. Then again the surveyors get a good deal of assistance from our men in regard to the amount of business done by persons in the spirit trade. The officers furnish returns to the surveyors of taxes, showing what quantity of spirits have been received by the different Excise traders; so that it assists the surveyors again in making their assessments.

24,813. (*Chairman.*) I think you quoted just now the amalgamation of 1834–5 as producing a large saving; but is it not a fact that within 13 or 14 years afterwards the amalgamated service cost 15,000*l.* or 16,000*l.* more than it did before?—I was not aware of that fact.

24,814. Is not it the fact that the two branches cost before amalgamation 123,000*l.*, and that there was an immediate saving of 18,000*l.* Whereas in 13 or 14 years later the cost had risen to 147,000*l.*, no doubt owing partly to an increase of work it is admitted?—I have a memorandum here which states that when the Boards of Stamps and Taxes were consolidated in 1834, instead of 712 persons with salaries amounting to 123,354*l.* in the separate establishments, the combined establishment contained only 662 persons, costing 105,012*l.*, showing a saving of 17,170*l.*

24,815. Then have you got the cost 13 years afterwards. That is the figure I have to show that in 13 or 14 years the cost had risen to 147,000*l.*?—I should like to inform myself of the exact conditions under which that increase occurred.

24,816. I only name that because it does not follow that an immediate saving is always an economy?—Yes. Again, when the Boards of Stamps and Taxes were consolidated with the Excise in 1849, similar reductions of expense were found practicable, and the saving in salaries was 30,925*l.*

24,817. My question is only directed to this: in order that the consideration may not be left out that after all amalgamations must be undertaken with caution; not more than that?—Yes, certainly.

The witness withdrew.

Adjourned to Thursday next at 12 o'clock.

SEVENTY-SECOND DAY.

7, Whitehall Place, S.W., Thursday, March 7, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.
LORD BASING.
MR. J. CLEGHORN.
MR. A. S. HARVEY.
MR. H. L. W. LAWSON, M.P.
MR. J. W. MACLURE, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

Mr. WILLIAM HENRY WILLS called and examined.

Mr. W. H. Wills.
7 Mar. 1889.

24,818. (*Chairman.*) You are, as we know, largely interested in the tobacco trade, and we understand that you are willing to give us your opinion upon the question of whether the Inland Revenue and Customs Boards should be amalgamated from the point of view of convenience to the trade?—Yes.

24,819. Perhaps I should ask you, in the first instance, have you prepared any notes or any points on the subject?—I have made a memorandum.

24,820. Would you be kind enough to give it to the Commission in your own way?—My firm are engaged in the tobacco trade, both in Bristol and in London; and I think we are the only firm in the United Kingdom that are working both under the Customs and under the Excise. We have two factories in Bristol and one in London. One factory in Bristol is a bonded factory, controlled by the Custom House; we have two Custom House officers always on the premises. The other factory is just as absolutely under the control of the Excise.

24,821. Are they both bonded factories that you have at Bristol?—One is bonded, and the other is a

free factory. The bonded factory is under the Customs, and the other factory is under the Excise for home trade.

24,822. Then you do not carry on the same kind of work in both?—No; I will explain that to you afterwards. Unmanufactured tobacco, when it comes into this country, is invariably taken charge of by the Customs, and it is deposited in the Queen's warehouse (that is, in the Customs warehouse,) in case of all ports that are tobacco ports, such as Liverpool, Bristol, Southampton, Hull, Leith, and Glasgow. But if it goes inland to places like Manchester, Leeds, or Bradford, it would go, not into a Customs' warehouse but into an Excise warehouse, and would at once pass into the control of the Inland Revenue. When it is cleared for manufacture the duty would be paid, in the case of seaports, to the Customs, and in the case of inland towns to the Excise, because they are the ostensible owners of the warehouse from which it has been taken. The raw material, when cleared for consumption, is taken into factories where its manufacture is entirely supervised by the Excise, in order to protect the revenue against fraud by adulteration, that is, the addition of foreign material; and also, since Mr. Goschen's last alteration of the duty, against fraud by excess of moisture over 35 per cent. That disposes of raw tobacco. Imported manufactured tobacco is controlled by the Customs, whose duty it is to see that none passes into consumption containing any ingredients which by the Excise laws are prohibited from use in this country by manufacturers. You know, under the Excise, we are allowed to use nothing except water, and that is limited now by the Chancellor of the Exchequer.

24,823. (*Mr. Lawson.*) To 35 per cent.?—To 35 per cent. Tobacco manufactured in New York that comes over here, and which contains nothing but tobacco and water, is allowed to pass into consumption after it has paid a duty of 4*s.* per pound; but if that tobacco contains, as in the case of Cavendish and other kinds of hard tobacco, sweetening matter, the Customs deal with it in a different way. They first of all charge it with a higher duty of 4*s.* 6*d.* per pound, and then they only admit it for sale here in packets bearing a Customs-label. Under the Customs laws tobacco may also be manufactured in bond in England. There are, I believe, only two bonded factories in England, one of which belongs to my firm, and the other to a joint stock company called the Richmond Cavendish Company, in Liverpool. In these bonded factories we may put any sweetening matter we like into the tobacco, provided it is not injurious to health; and then, when it is manufactured, we have to pay the duty of 4*s.* per pound on the net weight, and it is only admitted by the Customs for home consumption when labelled with the wrappers which we can only obtain from the Customs. The Excise are supposed to see that no sweetened tobacco passes into the hands of licensed dealers unlabelled, and that sweetened tobacco, all over the country, whether imported or manufactured in Customs bond in this country, is contained in packets at the dealers and enclosed in the wrappers issued by the Customs authorities. The Customs are charged with the duty of protecting the revenue against smuggling, but they are limited in their operations to the water side. I have had an experience of something like 25 years as one of the magistrates of the Bristol Police Court. Of course you remember one cannot sit on a Customs or Inland Revenue case if one is a manufacturer of tobacco, but the Customs have very frequently sought my opinion in cases where tobacco has been seized. I know enough to say this: that there is a certain want of concerted action between the Customs and the Inland Revenue. The Customs take charge of the quays and the docks; but supposing sailors land, as they frequently do in Bristol, after a long voyage, and they can manage to take tobacco inland to the other side of the city, or into Gloucestershire or Somersetshire, it is no part of the Customs duty to look after them, and the Inland Revenue I do not think practically do very much. Theoretically, I suppose, they would say it was their duty to do what they could.

24,824. (*Chairman.*) Do you mean that it is their duty to search these men?—I mean to keep an eye on them. Tobacco smuggled by sailors in small quantities is generally bartered away, either at small dealers' shops or at public-houses; but there is no question that what you may call "homœopathic" smuggling goes on to an enormous extent in places like Hull and Bristol, and Southampton; the men manage to bring a good deal ashore.

24,825. (*Mr. Lawson.*) Homœopathic smuggling—would you kindly explain that?—I mean retail smuggling as distinguished from smuggling three or four thousand cigars in a log of mahogany, which has been carefully excavated for the purpose, and that kind of thing.

Mr. W. H. Wills. 7 Mar. 1889.

24,826. (*Mr. Cleghorn.*) You mean that those small quantities escape the rummaging staff?—Yes, there is no doubt there is a great deal of it.

24,827. Concealed about the person or somewhere?—Yes.

24,828. (*Mr. Lawson.*) You would include among the places you referred to, Dover also?—Yes. Dover is a bad place, but Hull is about the worst place in all England. We know, as a fact, that a large amount of smuggling is successfully carried on over the east coast of England and Scotland, and there is no doubt that if the officers all belonged to one department there would be a better chance of successfully coping with offenders, as there would be concerted action between the officers in charge of the shipping and the quays, and those located in the interior of seaports and inland. To my mind there is an obvious disadvantage when dealing with any dutiable article, like tobacco, in having a division of revenue labour. The work cannot be done with the same efficiency and economy as if the officers were under one head, and belonged to one department, especially in a place like Bristol where we have two gentlemen, one at the head of the Inland Revenue, and the other at the head of the Customs, with offices as near as the opposite side of the street to each other, who have chief clerks, and assistant clerks, and so on, in their departments, and anyone who is familiar with the work in Bristol can tell in a moment that the whole work might be equally well done by one staff. There would be a great economy in all our large ports.

24,829. (*Lord Lingen.*) By one of the staffs instead of two, do you mean?—Yes. I do not mean to say that you would not require a good many more clerks to do the joint work than is required either in the Inland Revenue or in the Customs, but I am speaking more especially as regards the heads of departments. It is very much like the amalgamation of two railways, you do not reduce your porters, and your booking clerks, but you have one secretary, and one general manager, and one engineer, and so a very considerable amount of expense is saved.

24,830. (*Mr. Lawson.*) You imagine also, there would be a saving in the clerical staff by combining the two separate departments?—Yes; if the business was properly worked together in the two departments. There is another thing which I only know from hearsay. I understand that the code of revenue law, or the regulations of the two departments, are by no means identical, and it seems to me a point which might well be considered by the Commissioners, whether the code of revenue law for the guidance of Custom House officers and Inland Revenue officers might not be consolidated.

24,831. (*Chairman.*) I may tell you that it is at the present moment identically the same code with reference to the warehouses?—I am speaking of outside the warehouses; that is to say, the statute under which you get conviction for the Customs is not the same as the statute under which you get a conviction for an Inland Revenue case.

24,832. (*Lord Lingen.*) Even in the same article like tobacco?—No; you would find, I think, that there is a perceptible difference.

24,833. (*Chairman.*) But take your own case, Bristol. You say that you think the heads could be amalgamated, that is to say, that one collector, one responsible officer of revenue, could superintend and control all the collection of revenue, whether Inland Revenue or Customs, at Bristol?—Yes.

24,834. That would make him a very powerful officer, would it not?—It would increase his responsibility, and probably he would have to be paid a somewhat higher salary than either officer is paid now.

24,835. Would he require a deputy, in your opinion?—He would want a good chief clerk. I do not know that he would want a deputy. Probably he would require someone to act for him and to sign for him in case of being on a holiday or incapacitated by illness, but the united duties would not require a higher class of man than you have got already.

24,836. Do you think that a man who had charge of both those branches of revenue there would have the

Mr. W. H. Wills.

7 Mar. 1889.

same opportunity of knowing all the details of both services as a single man does in each case now?—I think there would be a great simplification of the work if it was all under one department.

24,837. Supposing that it is desirable that the collector either of Customs or of Inland Revenue should have an intimate knowledge of the working of the establishment from the lowest point to the top, which, as a rule, I suppose, is in the possession of most collectors, do you think that practically, if there was one collector, he would have the same or an adequate knowledge?—You see, as long as you have two separate branches, the Inland Revenue and the Customs, a man cannot be trained in both, and, therefore, probably there would be a little difficulty at first, but as soon as you get the two branches of the revenue collection united you would also get a mixture of men from both departments in the same office, and what A did not know B probably would be able to supplement.

24,838. Could you form an idea as to what would be the view that traders generally would take of the alteration from this point of view, namely, that presomably it is very often desirable for traders to consult the responsible head in a large port like Bristol whether Inland Revenue or Excise. I think it has been said before us that traders would prefer to have a head of Customs and a head of Excise with whom to transact their business?—Speaking for my own firm, it would be a great convenience to us to have the absolute power and direction resting on one pair of shoulders.

24,839. You prefer to have one head?—Decidedly yes. You see we have got two masters. We have got the Customs ruling us in one factory, and the Excise ruling us in the other. When we pay our duty, the Customs allow us to have the tobacco into our factory. The moment it comes in the papers belonging to it are collected by the Excise, and the Excise look after us all through the process of manufacture. In fact, their powers are so excessive that no authority exercised by the Austrian police in Lombardy years ago could exceed the powers that the Inland Revenue possess if they choose to annoy us, because they can come in at any hour and take away samples, or they can stop us; they can lay an embargo on us; and considering that we have to do with the two departments, the whole matter would be simplified by a union of the power in the hands of either one officer or the other.

24,840. (*Lord Lingen.*) Do I understand from you that certain manufactories where sweetened tobacco is used are conducted under the supervision of the Customs?—Yes; that is so. There are only two such factories in the United Kingdom.

24,841. One is yours?—Yes; and the other belongs to the Richmond Cavendish Company in Liverpool.

24,842. (*Mr. Maclure.*) Is not there one in Belfast?—I am not sure. I ought to have said in England.

24,843. You said in the United Kingdom?—Yes, I did. I have an impression that there is a small one there. I am not sure.

24,844. I rather fancy I went to one where I saw the process?—Yes, I think there is one.

24,845. (*Lord Lingen.*) Does the introduction of sweetening matter make the process of manufacture different from unsweetened tobacco?—Yes; you see when leaf tobacco is imported into this country, and the duty is paid at 3*s.* 2*d.* a pound to the Customs, then the Excise take care that we put nothing but water to it, and that the water does not exceed 35 per cent. But the conditions under which we manufacture in bond are totally different. We may put in rum, sugar, and liqueur, anything in fact we like that is not prejudicial to health.

24,846. And if you introduce these ingredients, then, you manufacture in bond under Customs supervision?—Yes, and we pay the duty on the net weight of the manufactured article, so there is no inducement to us to add anything to increase the weight. When you pay the duty on the dry tobacco, and have power to add water up to 35 per cent., of course there is an object in getting as much weight as you can out of 100 lbs. of dry tobacco.

24,847. The object I had in my question was this: if different officers, officers of different departments, superintend the manufacture of the same article, then you can bring to book any difference in their practice, but if the article is itself different, and the process of manufacture is different, then the officers who come from separate departments may differ in their practice without any inconsistency, may they not?—Except that you have got two branches of a particular business under the direction of two different departments. The officers of the Inland Revenue are supposed to be pretty good chemists, or at all events they have a very efficient chemist in Bristol, Mr. West, in connexion with their department. The Customs are not required to know anything about chemistry or analysis, so far as a bonded tobacco factory is concerned.

24,848. Would an Excise officer, taken at once from an Excise tobacco manufactory and put into a Customs manufactory, be perfectly capable of dealing with any difference that existed between the two?—Certainly, because the Customs really have no responsibility in our bonded works, except that, acting as a sort of Cerberus, they see that no tobacco goes out of the bonded factory except such as has paid duty, and they have the power of searching everybody who goes out.

24,849. But I understood you to say that their supervision extended to this, that no ingredients were put into this tobacco under their supervision which would be objected to under the Excise regulations for the manufacture?—No; I think that is a misunderstanding on your part. I did not mean to say so. I am not aware that I did.

24,850. (*Chairman.*) They are simply responsible, are they not, for the weight?—That is it. The Customs are only responsible for the weight. The Excise are more highly trained, because they have to be responsible for the purity, and not for the weight of tobacco.

24,851. (*Lord Lingen.*) But there is nothing in a Customs manufactory which an Excise officer at once could not undertake to superintend?—There is nothing in a Customs manufactory of tobacco which any policeman taken out of the street could not do perfectly well. But a man to be an Excise officer in a tobacco factory ought, at all events, to have a fair elementary knowledge of chemistry.

24,852. Then it comes to this, that the manufactory is not so efficiently superintended even for revenue purposes in a Customs manufactory as it is in an Excise manufactory?—Yes; it is quite as efficiently superintended, because the only thing that the Customs have to do is to see that no tobacco gets out of the factory for consumption till it has paid the duty.

24,853. How are they to check adulteration if they have got no chemical knowledge?—The word "adulteration" is not known in a bonded factory, because the duty is not paid till the article is manufactured, and the fact of its having sweetening matter in it renders it liable to a higher duty than if it were manufactured in an Excise factory.

24,854. But may there not be other than sweetening matter which would cause adulteration of tobacco?—The Customs do not take account of adulteration at all in a bonded factory.

24,855. Then if they do not take account of that at all, how do they check adulteration to the same extent that the Inland Revenue checks it?—The Inland Revenue checks adulteration, because it is not allowed to put anything except water with your tobacco, and if they find that alkaline salts or salicylic acid or anything of that kind has been added, they detect it by analysis at once, and then the manufacturer finds himself in trouble.

24,856. The interest of the revenue is just as great against adulteration in a Customs manufactory?—No, excuse me; the Customs do not recognise anything as adulteration in a bonded factory.

24,857. I do not think you understand my question, if you will forgive me for saying so. Unless it is impossible to adulterate tobacco in a Customs warehouse, why is the inferior officer who superintends that manufactory as good for revenue purposes as the superior officer who superintends a tobacco manufactory for Excise purposes?—I think I must revert to my former observation that the Customs, *qua* adulteration, do not trouble themselves. I do not know whether I have made myself clear.

24,858. I think that answer is quite clear that the Customs do not trouble themselves with adulteration in the manufacture of tobacco?—In bond they do not.

24,859. (*Mr. Harvey.*) In the interests of the revenue ought they not to?—No; because the duty on the tobacco manufactured in bond is paid on the net weight of the manufactured article; therefore it does not

matter if you choose to put in we will say a quantity of sugar.

24,860. With the Cavendish?—Yes. I mean to say if you add a very large quantity of sugar it does not matter, you pay the 4*s.* duty on it.

24,861. (*Lord Lingen.*) I do not think it is worth while going much further into this question, but it surely matters in this way: that the Excise officers themselves exercise to the utmost possible degree of vigilance, in order to see that nothing but tobacco is used, and if other articles are used which do not cost as much as tobacco, it keeps the tobacco out of the market?—Yes; but then there is no inducement to adulterate in a bonded factory, because if you use sugar, we will say, you will pay precisely the same duty on your sugar that you do on your tobacco.

24,862. (*Mr. Lawson.*) You pay on the whole weight?—We pay on the whole weight, so that nobody has the slightest inducement to put more flavouring in than is absolutely required to make the tobacco keep a definite time in a hot climate.

24,863. (*Mr. Maclure.*) We will take "pigtail" tobacco. That is a thing that undergoes a certain amount of adulteration?—When you say "pigtail" tobacco you mean rolled like a cord.

24,864. Yes; that is mixed with treacle or something?—No; I should say in the home trade there is no adulteration in the way of treacle; occasionally some firms have got into trouble for using a little glycerine.

24,865. Well, take glycerine?—It is very trifling.

24,866. You are allowed 35 per cent. of water?—Yes.

24,867. Do you pay a duty on the 35 per cent.?—No, we do not.

24,868. Then it is deducted; then suppose you dry that tobacco, and get rid of 35 per cent. of water out of it and put in glycerine, you do not increase the weight?—No, but you could not do that. If you have a sample of tobacco leaf as imported, and you ask, for instance, Dr. Bell at Somerset House, he will tell you that that contains in natural moisture something like at least 13½ per cent. originally, so that it only leaves the manufacturer something like 20 or 22 per cent. to add. That is the margin of profit. I should like to make myself clear to Lord Lingen if I could. You see, if in a factory that is under the Excise we were to put in anything besides water, we should materially increase the weight of the tobacco, and as the duty is paid in an Excise factory upon the raw material, and the 20 per cent. or so that we are able to put in of water is our margin of profit, there is an inducement for the manufacturer to get in as much moisture as he can under the 35 per cent. limit; but in a bonded factory it does not make the slightest difference, because you do not pay on the dry leaf tobacco, you pay on the manufactured tobacco after it has had a sugar flavouring added to it.

24,869. (*Lord Lingen.*) Is this a correct statement? In all manufacture of sweetened tobacco in bond the duty is not paid until the article comes out of bond for consumption?—That is so.

24,870. But in the other manufacture it is paid before it goes into the manufactory?—It is so.

24,871. I understood in the tobacco manufactory that we went over in London that the Inland Revenue look very sharp after this. I think there was a material that was named coca that there was a great temptation to use instead of tobacco. Of course cabbage leaf would be still cheaper, and we also understood that the Inland Revenue concerned themselves very much to see that in the process of manufacture a cheaper raw material than tobacco was not used?—Yes, certainly.

24,872. To see that tobacco, and tobacco only, was used in the manufacture?—Yes.

24,873. For that purpose, I suppose, a certain amount of chemical skill, and at any rate expertness and experience are required, but, as I understand you, in a Customs bonded tobacco warehouse the only test that is applied for the duty is weight, and, therefore, as Mr. Harvey suggested, in a Customs' warehouse it might be all cabbage leaf?—There would be no inducement.

24,874. He would pay a great deal less for the raw material?—It would answer no end. If you made up an article from cabbage leaf and put the rum and molasses into it in a bonded factory it would not be worth a snap of the fingers, nobody would do it.

24,875. Surely there are two elements in cost price, the price of the raw material and the duty?—In fact, excuse my interrupting you, it would cost a good deal more to prepare the cabbage leaves than it does to prepare the tobacco.

24,876. Take any other material that might be used. Is tobacco the cheapest leaf which could be prepared for smoking?—Tobacco in bond may be had from 1*d.* a pound up to 1*s.* 6*d.* or 1*s.* 9*d.*, but it does not matter, you know, for a bonded factory whether tobacco is moist or not. A great deal of tobacco comes to this country so charged with moisture that it does not answer the purposes of manufacturers to buy it, for duty paid; it would contain, perhaps, 18 to 22 per cent. of moisture originally. There is thus little margin left, and nobody would pay any price for a tobacco containing 20 per cent. of moisture when for a slightly higher price he could get tobacco which contained only 13 or 15 per cent.

24,877. Then in this state of matters the only adulteration in tobacco or fraud against the revenue is effected by water?—Yes, in excess of 35 per cent. moisture.

24,878. There is no other adulteration that matters for revenue purposes?—No, in an Excise factory, practically, there is no other.

24,879. (*Chairman.*) Supposing that the two bonded factories of which you speak were put in charge of the Excise officers instead of the Customs officers, would not their duties be exactly identical with those that now pertain to the Customs?—Quite so.

24,880. Would not their practice necessarily be the same?—It would necessarily be the same. All that they would have to do would be to take care that no tobacco went out of those factories till the manufactured duty of 4*s.* per lb. was paid.

24,881. (*Mr. Harvey.*) Only when this commodity has left a Customs House there is no absolute proof from anything the Customs' officers have done that there is any tobacco at all; does not it come to that? I am speaking simply as an inexpert in the matter. If they do not look after anything more than the weight when this commodity has left a Customs' warehouse, does it come to this, that it may be tobacco or it may be hemp?—If any hemp came into this country it would never be allowed by the Customs to go into a tobacco manufactory. Directly a vessel arrives in England laden with tobacco that tobacco is taken charge of by the Customs, and, if it is to go into my bonded factory, it is followed from the Queen's warehouse at Bristol by Customs' officers into my bonded factory, and there, other Customs' officers receive it from their colleagues.

24,882. (*Mr. Lawson.*) But you said the Customs' officer performs no duty that the ordinary policeman in the street could not do if he were put in his place. The policeman in the street, excuse me, would not be able to detect the difference between hemp and tobacco?—What I meant was after it gets into the factory.

24,883. (*Mr. Cleghorn.*) And in that case nothing could go out of your factory but tobacco?—Nothing can come out, because nothing can go in but tobacco.

24,884. (*Mr. Lawson.*) Supposing the Customs believe it to be tobacco; they have no chemical or technical knowledge, they are unable to tell the difference; they are in the same position as an ordinary policeman in the street?—What I meant when I spoke of the ordinary policeman in the street was this, that they simply have to keep a sharp look-out over the property in the bonded factory, and to see that that does not go out except after the duty has been paid on it.

24,885. I perfectly understand that, but at the same time these officers have no expert knowledge upon the subject, and they are no fitter to judge than an ordinary citizen who has had no special training?—Excuse me, they are really, because, being Customs House officers, they are accustomed to deal with foreign manufactured and sweetened tobacco, and they could tell you in a moment whether a piece of tobacco was manufactured in an Excise factory or in a bonded factory.

24,886. You have told us that they have no chemical knowledge?—I say they have not necessarily any chemical knowledge to do what is required of them in a bonded factory.

24,887. I thought you said more than that?—When I said they have no chemical knowledge, I meant their duties in the bonded factory did not require any

Mr. W. H. Wills.

7 Mar. 1889.

chemical knowledge. Of course a Customs' officer, who is rummaging a ship, can tell foreign tobaccos nearly as well as an analyst of the Inland Revenue.

24,888. (*Mr. Cleghorn.*) Is it a possible thing for a Customs' officer to allow tobacco so called to pass from the ship to your warehouse while it is not really tobacco?—No, it is quite a mistake to suppose that material which is not tobacco is smuggled into this country as tobacco; it would not pay, there is no object to be gained by it.

24,889. It is not a possibility?—It is not a possibility at all, and it could not occur.

24,890. (*Mr. Lawson.*) It is a possibility, but not a probability I should say?—Well, not a probability.

24,891. (*Mr. Cleghorn.*) Would a Custom House officer be so blind as to pass, as Mr. Harvey has suggested, hemp under the name of tobacco?—No, why should he? There is no duty on hemp, and if the hemp was entered as tobacco he would have to pay 3*s.* 2*d.* a pound for it.

24,892. So that it would be an absurdity?—An absurdity.

24,893. You refer to the union of the two departments, and you are in favour of the union of the two departments?—Yes.

24,894. Speaking about the question from a purely revenue point of view, would such a union be at all an improvement to the revenue of the country?—I think it would economise the expenditure of the Civil Service.

24,895. I am not speaking of it from an expenditure point of view, but from a receipt point of view, would the Government receive more revenue, assuming the two departments were amalgamated, than they do now?—Really, I could not offer an opinion upon that point, I should think they would receive the same.

24,896. (*Mr. Lawson.*) That would depend upon the fiscal policy of the Government for the time being, would it not?—Of course.

24,897. (*Mr. Cleghorn.*) They would not receive any more from the union of the two departments?—I have no doubt, as I said just now, that the supervision over smuggling and adulteration would be much better if there was only one department charged to deal with it, instead of the responsibility being divided between two.

24,898. (*Mr. Lawson.*) What I understood you to say in that connexion was that there was not any facility of communication and reference as between the two departments in smuggling cases?—There is always a friction between two departments.

24,899. (*Mr. Cleghorn.*) May there not be an advantage in that?—I do not see it.

24,900. You refer to there being no concerted action between the Customs and the Excise with regard to following up smuggled tobacco; could not that be remedied by instructions from headquarters?—My experience in business has always taught me that if you have got two people whose duties seem to clash, you will always get a certain amount of friction. I find it repeatedly. Divided responsibility means inefficient work as compared with the union of two branches perhaps under the same head.

24,901. As I understood you, you would only carry the union so far as the heads of the departments—the collectors and their staffs?—Yes.

24,902. All under would have to remain as they are?—All the duties of a gauger must always remain, whether the departments are united or not, such as they are at present. The duties of a landing waiter of Customs will always be the same, therefore the lower you get down in the scale the more distinct the two services would naturally be, but still the union and direction of the whole system under one authority would be a very great gain in many ways.

24,903. But the duties of those under officers could not be united or interchanged, could they?—I am not prepared to say. I should think there are a great many duties which might be discharged by one or other. There are a great many matters connected with the Inland Revenue, the duties of which might be efficiently discharged by a Custom House officer, and *vice versâ*.

24,904. Do you mean to say that a gauger could do a great deal of work connected with the other department?—Yes, a gauger could do a great many things; the gaugers are very intelligent.

24,905. By that means there would possibly be a reduction in the staff?—That is so. I think in a place like Bristol you would probably do with an appreciable reduction of the staff.

24,906. (*Mr. Lawson.*) Unlike Mr. Cleghorn, I did not quite understand you to say that you thought the saving would be limited to the heads of the two departments, to the principal staff. I thought that you conceived it to be probable that in the whole of the clerical staff both at headquarters and in the different districts there would be a considerable economy?—Well, I think there would be. I think there would be a saving all through. You would save in the heads, you would save in the clerical staff who do the work in the office, and I think that you would probably save something in the out-door department, because some of the officers are not occupied the whole of their time, but upon that I should like to speak with reserve.

24,907. There are some small outports where the scale of business is very different from what it is at Bristol, and where the consolidation might lead to even greater economy in proportion to the numbers employed?—Yes.

24,908. (*Mr. Cleghorn.*) You, of course, only speak from Bristol?—I speak from Bristol to some extent, and from London also, because we have a factory here.

24,909. I mean you do not speak from any of the smaller country ports?—There I think you would save a great deal more. In a case like Bridgwater I think you will save a great deal more.

24,910. (*Mr. Lawson.*) Your life-long experience in business has given you a great deal of knowledge of the working of the two departments all over the country, has not it?—I have been for 30 years coming almost daily in contact with the two departments, and during that time I have formed an opinion.

24,911. And for many years, as a member of Parliament, I believe you had an opportunity of reviewing estimates, and so forth?—Yes; and my firm has been consulted on various occasions by the Chancellor of the Exchequer and the Inland Revenue as to matters connected with the tobacco trade.

24,912. (*Mr. Cleghorn.*) Does the one department in your view and in your experience do its business any better than the other?—We have had great courtesy and great assistance from both.

24,913. Then you have no complaints to make?—Sometimes we find a bit of red tape down in Thames Street, and we have found years ago, a little, at Somerset House, but from my own personal experience we have had every assistance from both the Customs and the Inland Revenue.

24,914. Then you have really no complaint to make on that head?—None whatever.

24,915. (*Mr. Lawson.*) Therefore you take an impartial view, and you are merely speaking for the general convenience of the trade with which you are well acquainted, and from considerations connected with the Government and administration?—Yes, and in the interest of the British taxpayer. I think that he would save a little in the estimates.

24,916. The question was put to you as to whether the collector at Bristol would not have to provide himself with a deputy if the duties of the two departments were amalgamated in that place. I suppose at the present time the collector of Customs when he is absent on leave has to provide himself with some substitute during his term of absence?—Yes.

24,917. There would be no greater difficulty for the collector of the joint departments than there is for the collector of each of the two separate departments?—No.

24,918. (*Chairman.*) When I asked that question what I was pointing to was this, really not desiring to get an answer one way or the other, but to get at what the facts are, whether in your opinion there was or was not such an amount of responsible work in the hands of both, that practically if you amalgamate the two collectorships there would be such an amount of responsible work thrown upon one office that you would be obliged to have a second man in a superior position to any subordinate at present?—That really is a comparative detail, because it would be merely a question of perhaps 50*l.* or 100*l.* a year rise to the second man; there would be no difficulty in that.

24,919. (*Mr. Lawson.*) I want to ask how it came about that the bonded factories came under the jurisdiction of the Customs? Why are they Customs and not Excise?—I think you must address that question to Mr. Gladstone. The bonded tobacco factories were allowed, because till we had the facility for making sweetened tobacco (which we could not in an Excise factory) we could not compete with New York, or with Richmond, or with New Orleans for the foreign trade or for ships' stores.

24,920. But the point is why were they placed under the Customs? You say, ask the Chancellor of the Exchequer for the time being, but do you know whether there was any reason?—Because the Customs had to do with foreign manufactured tobacco, and therefore sweetened tobacco manufactured at home naturally came under their supervision, and as it was mainly intended for export the Customs took charge of it, and in fact the bulk of it went abroad.

24,921. (*Mr. Maclure.*) Because of the rebate?—There is no rebate, or drawback as it is commonly termed.

24,922. If you manufacture for abroad they give you a portion of rebate, do not they?—No; it is in bond.

24,923. I was thinking you paid in the first instance, and that you had a rebate?—No, we do not pay anything in the first instance.

24,924. (*Mr. Lawson.*) I suppose there would be a very much greater simplicity in your business if these warehouses were all under one department?—In working it would, because we should only have one body to go to.

24,925. Have you in some instances to duplicate the sets of papers on account of the present arrangement?—No; but we have papers that are made out by our clerks at the Customs, and they come back to us with the hogsheads from the Queen's warehouse, and then they are handed over and the account of the weight is taken by the Excise; so you have got two separate establishments dealing, one with the discharge of the tobacco from the Queen's warehouse, and the other with the responsibility for the same tobacco at our works. It would be much simpler if the papers were taken back again to the Customs and there was only one set of entries kept.

24,926. Have you known any delay prejudicial to trade arising from the difficulty of communication between the two departments as at present when you have had to refer to headquarters on some disputed point?—No; we have had very little difficulty in working our own business. We have rarely had occasion to refer to them, that is to say, to stop any process.

24,927. What is the case with the trade in general, leaving out of consideration your own firm?—I do not think that any delay has occurred from the separation of the two.

24,928. (*Mr. Maclure.*) You have said there was hardly any material which was worth mixing with tobacco for adulteration purposes which was as cheap as common tobacco itself?—That is so.

24,929. Therefore there would be no necessity in that way for much supervision. Do you make snuff?—Yes.

24,930. In making snuff, do they watch that for adulteration?—Yes.

24,931. That requires scientific knowledge, does not it?—Yes; that snuff is tested by the chemist of the Inland Revenue.

24,932. That is purely scientific?—Purely scientific.

24,933. And whether it was an amalgamated body or a separate body, the manufacture of snuff would have to be watched by a scientist?—Yes.

24,934. In that there may be a large amount of adulteration?—Yes.

24,935. With cheap articles?—The adulteration of snuff is mainly derived from the excess of alkaline salt put into it.

24,936. (*Mr. Harvey.*) You are in favour of amalgamation on the ground of the general convenience to the merchants, are you not?—Yes. I am in favour of the amalgamation on the same grounds that I was when the Great Western system stopped at Bristol and the old Bristol and Exeter line was in existence running down towards Plymouth. I entertained the opinion then that the line would be much more cheaply worked and the public better served if the whole distance was in the hands of one company.

24,937. Still, I understood you to say, in reply to Mr. Lawson, that you have not suffered, at any rate, you hardly went to the length of saying that you have suffered, from the fact that there are two services instead of one?—No, we have not suffered.

24,938. Would you go the length of saying that there is a general feeling among the mercantile community at Bristol in favour of the amalgamation?—I think there is. I am quite sure there would be among the houses connected with the tobacco trade.

24,939. Have they ever thought of making any representations to the Government upon it at any time?—I am not sure whether the matter has not been discussed some time or other by the Chamber of Commerce; but I do not think anybody has felt it to be their particular duty to make any representations on the subject.

24,940. (*Mr. Lawson.*) In an earlier answer to me, I think you said that the existence of the two departments encouraged smuggling which was prejudicial to the trade?—I said that there was a divided authority in looking after the smugglers; I was referring to small smuggling. There is hardly a steamer that comes into Bristol, or into Hull, from the Continent that does not bring a very considerable quantity of tobacco, sometimes in the bedplate of the engine. There was a case in the Bristol Police Court some time ago where a man was charged with having brought in, I think, some 30 lbs. or 40 lbs. of tobacco, made up in packages just about the size of a "Quarterly Review," put under the hollow casing that supported the frame of the steamer's engines. A very smart attorney, who defended the man, contended that this had been placed there on a previous voyage, and that the engineer in charge was not responsible as another man had been working the engines a week before. One of my partners was called by the Customs. He was asked if that was possible. He said it was quite impossible, because that tobacco had a certain amount of moisture, and taking the average temperature of an engine-room on board a steamer had it been there the time that the lawyer contended it would have been reduced almost to dust, that it clearly could not have been there more than about 48 hours, which was about the time the vessel had taken to make her voyage from Antwerp, so the man was convicted.

24,941. (*Mr. Harvey.*) Looking at the matter for a moment from the standpoint of the revenue exclusively, without regard to the convenience of the merchant at all, do you think you would go to the length of saying that if you were Chancellor of the Exchequer you would amalgamate the services?—If I could get over the possible opposition of the permanent heads of the departments.

24,942. For instance, there being admittedly and confessedly a certain rivalry between the Excise and the Customs, do you think the argument that the rivalry was benefical to the revenue would have weight with you?—No, I do not think it would. I think it is a divided authority.

24,943. Let me put it in this way: that you do not bring any allegation whatever, as I understand you, of a complaint on account of that divided authority?—Certainly not.

24,944. You say, theoretically, you think it would be better to have a united service, but still you do not give us a single complaint?—No; I have had every assistance and every courtesy from both services, and I cannot point to any disadvantage except that which practically comes of two people doing one person's work.

24,945. Would it occur to you that if you had one service that the courtesy which you now have, which I will for a moment imagine to be the result of the rivalry, might be replaced by torpor, and you would be worse off in the conduct of your business?—I do not think so. A great deal depends upon people who fill particular offices at particular times. I can easily suppose that you might have a chairman of Customs not so disposed to take a little trouble for the British trader as was the late Sir Charles Du Cane, and that you might have a chairman of Inland Revenue who was not so thoroughly well posted and so anxious to make things work smoothly as Sir Algernon West; but I do not think that the departments would suffer.

24,946. In fact, viewing the departments as they are, you, certainly one would say, are a very good witness for keeping them in their present condition, because you think their work is done so well that you do not suggest a complaint?—Yes; but I think it could be done much more economically, and the work could be

Mr. W. H. Wills.

7 Mar. 1889.

simplified very much, if you had only one department to deal with instead of two.

24,947. (*Mr. Lawson.*) And more than economically, much more conveniently to the trader; that I understand to be the whole gist of your evidence?—More conveniently to the British public.

24,948. (*Mr. Harvey.*) It is a point upon which we have had evidence. I may say that what instances were given us in favour of amalgamation seemed in some cases to come to be merely instances of too great adhesion to convention and red tape on the part of the departments, and had nothing to do with the question of amalgamation at all. Now do you feel quite clear in your own case that the instances that you may have in your mind of greater convenience would not also come to that, that what you are complaining of is perhaps undue adhesion to red tape, which may be remedied even without uniting the services?—No; I go upon the broad business principle that the more you can unite and consolidate the administration of certain departments that have kindred duties, the better and cheaper your work will be done, and the more satisfactorily will the duties be performed.

24,949. (*Chairman.*) I have been looking at the list of the Customs' warehouses at the different ports. I want to see where your bonded factory appears. Is it the Virginia Cavendish Works, Redcliffe Street?—Yes.

24,950. It is described as a manufactory of cavendish and negro head tobacco?—Yes. It is difficult legally to define what is cavendish tobacco. I have never found a Chancellor of the Exchequer or a chairman of the Customs who could define it. It still goes under that name of negro head and cavendish. When Mr. Leonard Courtney was Financial Secretary to the Treasury we got into some difficulty because we were manufacturing bird's eye tobacco in bond, and they would not allow us to export our bird's eye unless we called it cavendish, and that was very much like sending out port wine with a champagne label on it. Things got rather to a deadlock. Then I moved in the House of Commons for a clause to be inserted in the Customs Act, and Mr. Courtney would not accept it, and I had to withdraw it. Afterwards he found that there was a clause in the Act which allowed the Treasury from time to time to make such regulations as should seem fit to them, and under that now all kinds of tobacco are included under the generic term of cavendish or negro-head and manufactured in bond.

24,951. All that is manufactured in bonded factories; it is a similar description to the one in Liverpool?—Yes.

24,952. (*Mr. Cleghorn.*) You have referred to a railway amalgamation as an analogous case. Do you think the union of the Customs and Inland Revenue quite analogous to the union of two railways?—I was simply speaking as to the economy of work.

24,953. Referring exclusively to the head offices, I understand you think there would be an economy were the two departments united in the same way as you suppose there is an economy following the amalgamation of two railways?—That is my idea.

24,954. Have you followed that out? Do you speak from any actual knowledge of the fact that there is such an economy?—Yes, because I was a director of the Bristol and Exeter Railway Company for many years, and I am now a director of the Great Western Railway.

24,955. Do you find that the general charges are less in amount than the general charges of the Great Western Railway and the Bristol and Exeter while they were separate?—I could not say, because so many changes have taken place since. The capital outlay has been very largely increased, and many other things would have to be taken into account.

The witness withdrew.

Mr. Benjamin Biggs called and examined.

Mr. B. Biggs.

24,956. (*Chairman.*) You represent the firm, I believe, Lister and Biggs?—Yes.

24,957. We have had a communication from your firm stating that you had experienced some inconvenience from the different methods adopted by the Commissioners of Customs and the Commissioners of Inland Revenue in dealing with spirits of wine?—Yes.

24,958. As we are upon the subject of the suggested amalgamation of the Customs and Inland Revenue, we thought that it would be well to ask you to be so good as to come here and say what your inconveniences are?—The inconveniences arise from the difference in the way in which the Customs and the Inland Revenue deal with the spirit. I am what is called a methylated spirit maker. By a law passed some 20 years ago, you are allowed to put a certain per-centage of wood methyl to methylate the spirit, and then it becomes free of duty. This trade is carried on by those who are rectifiers as well as by persons like ourselves who are not rectifiers. The rectifiers who are also methylated spirit makers take in the spirit, duty paid, and when they methylate it, that is, add the methyl to it, then they get a drawback. I, on the other hand, take it in under bond, and therefore get no drawback. I simply have to pay the differential duty of 4*d.* between the price of English and foreign spirit. English spirit is subject to 10*s.* duty, and foreign spirit to 10*s.* 4*d.*, and I simply have to pay the 4*d.* But then the result comes to be this: by the Customs mode of computing the contents of a cask there very often are occasions in which a cask contains several gallons, as much as five gallons I have known them, more than is shown by the gauge. The consequence is that the rectifier takes from the Customs a cask which is gauged, let us say as at 100 gallons, and he pays duty on the 100 gallons, the duty being about 16*s.* a gallon on the strong gallon. Then he takes that home and methylates it, and gets a drawback on the full content as computed by the Inland Revenue of 105 gallons. The consequence of that is, that he receives in a case of that kind five 16*s.* more than he pays, and the further consequence is, that I, who am not in that position, cannot afford to compete with him.

24,959. How would that difficulty be obviated by the amalgamation of the Customs with the Inland Revenue. As I understand it that arises principally from the fact that the gauging, which must be done by the Customs or whatever department fufils analogous duties, cannot be so accurate as the absolute measurement made by the Inland Revenue by emptying the cask and weighing it, and then putting in a certain quantity of spirit and weighing it again. I do not see how the consolidation of the two departments would get over your difficulties?—I am assuming that if there were one department they would have one rule. That the rule for estimating spirit would be an exact rule; that is, that it would be the exact contents of the cask. I can see no difficulty in the Customs arriving at the exact content of a cask. A cask is very easily weighed, emptied, and filled again. Her Majesty's Government would receive on a cask of spirit perhaps 100*l.* duty, so that without putting the merchant to the expense they could very well afford to go to the expense of paying a dock company to ascertain the exact content of that cask.

24,960. Are you suggesting that instead of the system of gauging which I always understood, and I think the Commission generally understood, was an absolute necessity with reference to all wet goods that may be dutiable imported into England, it would be easy to open all the casks and weigh them, and then to weigh the spirit or wine, or whatever it is?—Where it is, comparatively speaking, a low duty, a difference of a gallon is no very great consequence, but when the duty on a gallon is 16*s.* 6*d.* there you come to a very large sum.

24,961. Would your difficulty be got over if there was an absolutely correct gauging?—If there were correct gauging that would get over my difficulty. It is not a question for me whether the Customs and the Inland Revenue should be amalgamated, but the point is that their rules should be the same, and that one body should not be, I will not say, in opposition to the other, but working on a different rule.

24,962. Do those rules come within the code; I suppose you are familiar with what is known as the warehouse code?—The Customs have their code and their code is to gauge; the Inland Revenue is to weigh.

24,963. That is before it comes into the warehouse; you refer entirely to the practice of gauging?—Yes; it

is not within my knowledge that the Customs adopt any other plan than simple gauging.

24,964. (*Mr. Harvey.*) As the Chairman says, does not your contention come to this: that in the case of the whole of the wet goods coming into the country you would want the casks to be emptied, weighed, and refilled in order to get perfect accuracy?—Practically, that is so.

24,965. Do you think that is a feasible suggestion?—Well, I really do.

24,966. Then it is the abolition of gauging altogether really that your proposal comes to?—The abolition of gauging in strong spirits where there is this heavy duty.

24,967. (*Chairman.*) How can you tell that they are strong spirits; do you say that samples should be taken?—Every cask is sampled.

24,968. If a cask were sampled and the Department were perfectly satisfied that the spirits were of the kind that they were described to be, then do you say that the casks should be weighed and the spirit measure, as it were, separately?—Precisely; as I have said, every cask is sampled or should be sampled, and when the contents are subject to a high rate of duty, the content should be taken exactly.

24,969. Supposing that sampling to be done, do you think that would be sufficient protection, and would that meet your difficulty?—That would get rid of my difficulty. My difficulty is that one branch of my trade gets an advantage which I cannot get. For instance, in the spirit that I have dealt with this year I find there is a gain of 243 strong gallons, which amounts to a duty of 201*l.*; that is, taking the casks without any selection—taking them just as they come to me. But if I were able to avail of the duty, and legitimately avail of the duty, I should then arrange to have casks which could be gauged so as to give me all the advantage. For instance, I get on 1,000 gallons here 12 gallons; on another 1,000 gallons 6 gallons; on another 1,000 gallons only 2 gallons; and then on 1,500 gallons 34 gallons.

24,970. (*Mr. Harvey.*) Have you ever had any correspondence with headquarters on this point?—Yes, with both the Inland Revenue and the Customs.

24,971. And what is their answer?—Practically no answer.

24,972. When was the last correspondence with them?—I should think about two months ago with the Customs. I had a lot of casks weighed in my place for the Customs to have an exact account of it; that was, I think, in the beginning of January. With regard to the Inland Revenue I frequently have to go to Somerset House, and often when I see Mr. Micks or Doctor Bell or Mr. Bannister, I ask whether anything is going to be done about this matter.

24,973. (*Chairman.*) Have you made any suggestion other than that which you have just mentioned to us, for getting over the difficulties under which you labour on the assumption, say, that it is an impossibility to do away with the gauging?—My feeling is that the methylated trade should be carried on entirely under bond, and that the rectifiers should take in free spirit. Of course, they would have to have a separate warehouse. But that, I think, is a question for the Inland Revenue Department; whether they could do that by themselves alone I do not know. As it is now the Customs receive the duty, 100*l.* we will say, on a cask of spirits, and the Inland Revenue pay out the 100*l.* more or less, and I say a trader is perfectly justified in getting the best gauge he can, for this reason, that if I were to get a cask home, and I found five gallons short I should have to pay duty on the full quantity; the Inland Revenue would not listen to any excuse of any kind.

24,974. (*Lord Lingen.*) Would your difficulty be met by this: by a rule that no man should get a drawback on a greater number of gallons than he had paid duty on?—That would meet the difficulty, but you see that would scarcely be practicable, because the rectifier by the law now takes the spirit into his duty-paid stock, and it is all mixed together. *Mr. P. Biggs.* 7 Mar. 1889.

24,975. Still he always has a record of how much he has paid the duty on?—When the two are mixed together you cannot say which it is.

24,976. (*Mr. Harvey.*) You cannot identify it?—You cannot identify it.

24,977. If this lack of identification exists, how are you sure of your facts?—I have my own figures what I could do, if I were a rectifier, and I have a statement made to me by those who do know, that it is the custom to order certain casks to go backwards and forwards to be filled.

24,978. If you put the case to a Customs officer or an Inland Revenue officer as you have put it to us this morning would they admit (whether they could remedy your grievance or not) that the facts are true?—They would agree that they cannot gauge accurately. The cask can be prepared for gauging.

24,979. (*Mr. Lawson.*) What do you mean by that?—You can have a thick stave at the bottom—you have got a round cask, say—the first thing to be satisfied upon is that you have the same thickness of stave all round, but then it could be bellied out at the sides. There is the fact that the casks will contain a great deal more than the gauge; that is an undoubted fact.

24,980. And you lose the difference?—I do not gain the difference, which comes to the same thing.

24,981. (*Mr. Harvey.*) Would the gauging sometimes be understated?—Sometimes it is understated. I have got the number of mixings I have had this year. I have had two cases in which I had a loss; altogether, I have had 15 gains and two losses. If I could have prepared my casks, I have no doubt that the 200*l.* shown on that paper might be 800*l.*

24,982. (*Mr. Lawson.*) How do you mean?—Simply because I should have every cask which would gauge well. It is no object to me to have the cask prepared. I take them just as they come.

24,983. If you would gain all this by the difference why do not you have your casks prepared?—I do not do it because I do not deal with duty-paid spirits. I could only deal with it by a fraud; the rectifier can deal with it, and he is justified in dealing with it.

24,984. (*Mr. Harvey.*) Is your suggestion then that the whole of this business should be done in bond?—That, it appears to me, would get rid of the difficulty that I am speaking of.

24,985. Then the gauging would not be necessary?—If you got two or three or five gallons on a cask, and the difference is only 4*d.*, it is not worth speaking of.

24,986. (*Chairman.*) At all events the difficulties which you experience could be got over by some regulation or other. I presume you are quite of that opinion?—I have not the remotest doubt about that. It is not at all necessary that there should be any amalgamation between the two bodies so long as they adopt the same rule when they are dealing with the same article.

24,987. (*Mr. Lawson.*) Have you formally petitioned them to adopt the same rule?—Yes, again and again; that is, I have been seeing each body from time to time. I have never been brought in contact with the Commissioners either of the Customs or of the Inland Revenue. We say, in our irreverent way, "The Commissioners will never see us because they do not know much." The officers are most courteous themselves, but then we do not get any change made.

The witness withdrew.

Mr. Peter Hutchison called and examined.

24,988. (*Chairman.*) You represent, I believe, a large firm of shipowners in Glasgow?—Yes, I am the sole proprietor of J. & P. Hutchison, shipowners. *Mr. P. Hutchison.*

24,989. We understand that you desire to express some views to us upon the proposed consolidation of the Customs and the Inland Revenue from the point of view of the experience that you have derived from having to deal with both these Government departments?—Yes, but we have more to do with the Customs than with the Excise. Any little dealings we have had with the Excise were not very happy for us, so that we look upon the Customs and their desire to facilitate business as much more amenable to the common sense view of the state of trade now

Mr. P. Hutchison.

7 Mar. 1889.

24,990. I do not want to lead you in any way, and perhaps, therefore, I should ask you to give us anything that you have to say in your own way?—You must understand our business is that of ship carriers. We are the largest carriers of wines into Scotland from foreign parts, and we have a large amount of traffic on the quay.

24,991. Do you import into Leith as well as Glasgow?—No, only to Glasgow. We are still, however, the largest importers of duty goods into Scotland. There are transit sheds upon the wharf. The goods are taken from the ship and put into the transit sheds. The transit sheds take the place of the hold of the ship, and we deal with it from the ship, as it were, to a separate bond. In this way we save a great deal of trouble. The Excise people would demand to be dealt with separately. We have, perhaps, 50 or 100 lots of goods in a ship. The way we deal with it in the Customs is that we pass an entry for the whole of those goods to a bond, No. 5, that is our own property, and then we transfer the orders to the separate towns that they go to, such as the inland towns, to Leith, to Edinburgh, to Aberdeen, and Dundee, for instance. We send them forward in that way. I will put it clearly to you in the way it is put to me by the clerk who has charge of it. This is called constructive warehousing. We do not have that in the Excise at all.

24,992. The necessity for it does not arise under the Excise, does it?—Perhaps not. I mean to say that if we were to deal with the Excise regulations at present we would require to write out 50 entries and 100 copies, that would be simple clerkship, besides the great delay entailed in going through the separate lots instead of going through the whole as at present. At present we pass one entry and we have two copies of that entry and we have 50 removal notes, and that is the whole clerking department, so far as we are concerned. The work is done by the officer who runs on in rotation instead of taking one lot, say, of five casks and marking them and going back to each gauge. It would take treble the time to do this operation with 50 lots by the Excise regulations than it would to do it by the Customs regulations of constructive warehousing as previously mentioned.

24,993. Then it comes to this, does not it, that doing the trade which you do you are quite satisfied with the present condition of affairs?—I would be very sorry to see it changed.

24,994. Do the Customs give you every facility?—Yes.

24,995. Whether you are sending your goods into bonded warehouses, into the country, or dealing with them in Glasgow?—Truly; we mostly do a through trade. Our trade is largely through, sending it through Glasgow into other parts of the country.

24,996. We have been told that there are some difficulties of delay; I think we had it from one witness from Glasgow, a shipowner, that the goods were kept some time on the quay owing to the peculiar way that the Customs have of dealing with them for obscuration, and that there was unnecessary delay before they were removed into some Inland Revenue bonded warehouse, but that does not seem to have been your experience?—The obscuration comes in all cases with the Customs, and it comes also in the case of the Excise, there would be no remedy there; indeed, we would have the same trouble with the obscuration. The obscuration has only of late been more trouble to us than it was formerly, when the duty was 2*s.* 6*d.* per gallon all over. We had very little difficulty then with the obscuration, but since they have come so close as a shilling up to 30 per cent. or all under 30 per cent., the obscuration comes when they are very near to the 30 per cent., they are so frightened of losing the 2*s.* 6*d.* duty. A man brings in his wine and says "I want to make my wine exactly the shilling," and he brings it to 29 or 29¼ or 29½. The obscuration is to see whether he has not topped the 30, consequently that is where the obscuration mostly comes in in the wine; in the brandy there is always obscuration, and has been for all my experience.

24,997. Then, if I understand you rightly, you do not see any advantage from putting the collection of the revenue under one department either at Glasgow or at headquarters?—I suppose the object of this inquiry is to find economy in the working of the two departments to some extent.

24,998. To see whether it is desirable from an administrative point of view, and from the point of view of convenience to the traders, and the collection of the revenue, and so forth?—True.

24,999. (*Mr. Lawson.*) It is not proposed to incorporate the Customs into the Excise, but to fuse the two?—I understand that one of the objects is that the officers of either department would employ what spare time they may have in the other department. In that case the officers from the Excise would be very detrimental to the progress of our work if they came down to work wine cargoes because we require very experienced men. New men are always an obstruction to a large extent to the trade, but when they have learned it they are a good deal better. For instance, they have to gauge the casks. There are five or six different kinds of casks, and unless you are accustomed to the style of the cask you cannot gauge them properly. In the Excise they weigh, I understand, all the empty casks and then weigh them again when they are filled.

25,000. (*Chairman.*) Of course it is quite clear that in any scheme of amalgamation or consolidation, or whatever it may be called, all those officers who have special duties, whether on behalf of the Excise or the Customs, would have to be kept, as it were, specialists; and there would be nobody who would propose that they should be less efficient public servants than they are at present. The idea is, no doubt, that it might be economical, for instance, to put one collector at the head of affairs instead of there being two, and in that way there might not only be economy but some convenience to traders in enabling them to deal with one department rather than two. The point that we are anxious to have from you is whether you, having to deal with two departments, although only to a small extent with the Inland Revenue, have experienced any inconvenience from the fact of there being these two separate departments?—One point which I think may weigh a little is this: We had some brandy going to Edinburgh. In sending that through we sent it through an excise warehouse. It was consigned in a bill of lading "to order"; that is a very frequent way of shipping goods. We do not know who is the receiver of the goods.

25,001. (*Mr. Cleghorn.*) You mean no name is given?—Where the name should be, is written "to order."

25,002. (*Chairman.*) To you "to order"?—We are the carriers, and we become the forwarding agents because we carry at a through rate to Edinburgh, consequently when we come to Glasgow we look up our bill of lading, the captain's copy, and it says "to order." We cannot find the consignee, but we send them through to our agents in Edinburgh who are carters, Wordie and Company. When the goods went through there they went through the Excise, the Canning Street Excise bond.

25,003. In Glasgow?—No, in Edinburgh. They were sent to Edinburgh. When they arrived there, zeal prompted the Excise officers to say, here is Mr. Wordie receiving brandy to dispose of to some party who has the bill of lading; but Mr. Wordie had no license for selling spirits, he never sells spirits, he only carts them, he is not a seller; but we have to put some name on. The result was that the officers informed against Mr. Wordie, and we have been informed against also, as sellers of spirits. We are not sellers of spirits, but we are forwarders. The looking after of the licenses in the Excise has been a bar, in so far that those goods had actually to be dealt with quite differently, and we had to get re-warehousing orders. That means we had found out the consignee in the meantime, who was the man who held a license, and we had to make a re-warehousing order to have those goods transferred from Mr. Wordie to this man, who was to receive them; and it took 10 days to do this work.

25,004. (*Mr. Harvey.*) When you say you had to find who was the consignee, I suppose the goods were not handed over to anybody except he had paid for them?—The man who holds the bill of lading is the consignee.

25,005. But he cannot get the bill of lading until it is consigned to him by the consignee?—That is so. For instance, we carry goods from Bordeaux to Glasgow and undertake to send them to Edinburgh; we grant two bills of lading to the consignee, one for the shipper and one for ourselves. We see exactly what is intended with the goods, they are to go to Edinburgh "to order." The man in Edinburgh may be dilatory or from some other cause does not declare himself, because unless he

declares himself to us we never can find him out. He declares himself later on. In the meantime the goods have not completed their voyage until they go to Edinburgh, and therefore we have to send them to Edinburgh.

25,006. Where does the bill of lading go to?—The bill of lading is in Bordeaux issued to a shipper. Say that Mr. Johnson is shipper of 40 casks of wine to an Edinburgh merchant. He sends the bill of lading to the merchant in Edinburgh and that merchant, if he was prompt, would at once write to us saying, I am the holder of the bill of lading for these 40 casks shipped by Mr. Johnson, send them on to such and such a town, but many men do not do this much.

25,007. If they do not do that, is not the Government perfectly justified in regarding the agent as for the time being the holder of the goods?—No; no more than we could be declared sellers of wine; he is declared only a carrier, and so are we. Of course, he can never sell the wine because he has no title to it.

25,008. Do not you think, if you issue a bill of lading, or if a bill of lading "to order" is issued, that the Government are only adopting the simplest course, and the straightforward course, in regarding the man into whose hands the wine for the moment is, as the person who is responsible for the wine; there is nobody else for them to get hold of?—If he was the party who held the wine, and could hold it by any title; he has no title, he is only forwarding; he is like a carter who gets possession of your goods and takes them from one house to another, and may keep them in a store, but that does not entitle him to the goods. The wines, of course, belong to the party who holds the bill of lading.

25,009. Surely, it is the business of the Government to look into that?—When they found out the facts why should not they have acted as the Customs would? The Customs would say this is an acknowledged thing; there is such a thing as men who forward without being sellers. We are forwarders; we never take a license for dealing in wines, for we never sell sixpennyworth; therefore, why should we pay for a license?

25,010. (*Mr. Lawson.*) Have they tried to make you pay for a license?—It was mentioned to us that we ought to pay for a license, but we refused; we said, "We do not sell; we only forward."

25,011. (*Mr. Harvey.*) Do you allege that against the Inland Revenue officials alone?—I say that is an inconvenience. There is a difference between the two departments in aiding business people in getting through their work. In the case I have mentioned it was admitted the Excise were wrong. They admitted themselves that they were wrong; but then they had made the step, and they could not draw back, and it took us 10 days to get out of it.

25,012. (*Mr. Cleghorn.*) Would the Customs have done differently, do you think?—The Customs would have acknowledged the position. It is a common position, it is a frequent position; it is so common that there would never have been a question with the Customs.

25,013. (*Mr. Harvey.*) Is it not the business of the Inland Revenue to see that none but duly licensed persons sell exciseable liquors?—Yes, but Wordie and Company were not sellers.

25,014. Still it is not the duty of the Customs, and in this particular point the Inland Revenue authorities took an improper view of the persons who ought to have a license, because you were not sellers?—Yes. the Inland Revenue were zealous, perhaps more zealous than they should have been, and we find they are rather awkward for barring our work. That is the point I object to in the Inland Revenue, they delay the work.

25,015. (*Mr. Cleghorn.*) Do you mean they put impediments in the way?—Yes, that I call a very serious impediment in the way because it might have been the loss of the sale of the brandy to that man. Business is done so very fine now that we cannot afford to allow barriers of that sort to come in.

25,016. (*Mr. Lawson.*) Did they acknowledge that they were wrong?—They said they were quite willing to allow this to be amended, which was just acknowledging they were wrong, because if they thought they were right they would have compelled Mr. Wordie by bringing him before a justice of the peace to hold a license; but they could not have done that, as he was not selling and had no occasion to have a license.

25,017. (*Mr. Harvey.*) Although you admit at the time the wines come into the hands of Mr. Wordie there was no one who had got a title to the goods?—There was, but he had not declared himself.

25,018. Nobody known?—Mr. Wordie could never touch those goods so far as selling is concerned. He could carry them into his place, or he might put them into a vault where these goods may lie unclaimed; that is the expression we use, "unclaimed goods," but he was simply a carter of the goods.

25,019. I will not refer to Mr. Wordie, but I will assume that certain people receiving goods under those conditions did sell them?—Then they were certainly not only liable to the Government, but liable to the parties who had the bill of lading. There would be a certain felony in it.

25,020. Do you think the Excise officers did anything more than they ought to do in the interests of the revenue?—I think they did in the interests of the revenue all that they are entitled to do, but it is a little more than they should have pressed.

25,021. (*Mr. Lawson.*) Have you continued following out the same system?—No; we always keep away from the Excise in all our dealings.

25,022. Do you still give those wet goods to be transferred to Edinburgh?—Yes; two-thirds of our trade is done in that way.

25,023. Without knowing to whom they would be consigned?—These bills of lading are sold. They come to London here and are sold in the market. All the traffic in grain from America comes in the same way. It is all sold to order. It is the biggest part of the business now to sell and consign to order.

25,024. (*Chairman.*) I ask you generally, do you suffer any inconvenience in the cases in which you have to deal with the Inland Revenue, leaving out of the question for the moment that particular case you have been thinking of?—We have not dealt much with them.

25,025. Do you do much with the two departments?—I deal with the Inland Revenue less than with the Customs. We find the Customs officials very agreeable and suitable but not at all under our dictation, mind you, because they keep to their points very strongly whenever they have any point against us. Oftentimes the officers find that we have gone wrong in some clerical mistake, and they make us pay and fine us, but I do not mean to say because the Custom House officers are working agreeably with us that they are neglecting the duties of the Government.

25,026. Have you considered the question of amalgamation from the public point of view, the point of view of economy?—Yes, I have thought over that.

25,027. What is your view upon that?—My view upon that point would be this: That with reference to the stamps and licenses and income tax and other taxes I think the Post Office would be quite able to deal with those.

25,028. Do you mean that there might be more collection of the Inland Revenue in that way by the Post Office than is now the case. As you may be aware, the practice of collecting the Inland Revenue from the Post Office has been very much of late extended?—I think so.

25,029. We are not dealing absolutely with that point now, we are dealing with the question of Customs and Excise?—I think with reference to all other revenue the Customs can quite well undertake it, and the Excise might cease.

25,030. We are dealing with the question of whether there should be one revenue department; practically, I understand you are in favour of one department?—I want to say the Custom House would be the best for the merchants.

25,031. (*Mr. Lawson.*) Let me repeat what I said at first. We are not discussing the incorporation of the Customs with the Excise, but merely the fusion. As I understand, you are in favour of fusion, but you think the Customs should be the body to incorporate the other?—Yes, that is what I think.

25,032. (*Chairman.*) Do you think at Glasgow there should be one officer of revenue?—Yes, I think so.

Mr. P. Hutchison.

7 Mar. 1889.

25,033. One controller, say, of revenue representing neither the Excise nor the Customs particularly, but, in fact, acting for both?—Governing both, I think that would be a very proper way of exercising some economy.

25,034. Have you formed any view as to what that might be?—No, I cannot say I have reduced that to anything like a statement.

25,035. Supposing that in the amalgamation the practical result would be that the Customs is swallowed up, would that be in your opinion a disadvantage. In any case of amalgamation or consolidation we must assume that when the thing is carried out, one or other department would appear to have the ascendancy, and would, in fact, have the ascendancy. I want you rather to come to this point. When you take into consideration the different light in which different traders would view whatever might be the higher authority, say that in Glasgow, the result was that the Inland Revenue became the sole authority by reason of their having more officers, or by reason of the exigencies of the service appointing the present collector of Inland Revenue rather than the present collector of Customs, or anything of that sort, would that be an objection felt by yourself, or other traders who view the thing in the same light that you do, to such consolidation?—Certainly, I have spoken to a good number of our traders in Glasgow who are wine receivers, and all of those to whom I spoke wished to support the view I am expressing.

25,036. You want to see the Customs swallow up the Inland Revenue?—Yes, I have not spoken to all the 150 wine merchants we have in Glasgow, but of those I have spoken to I have not met one who had any other view than that it would be better to retain the Customs than the Inland Revenue. That was the expression of opinion given me.

25,037. (*Mr. Harvey.*) So long as the practice at present adopted by the Customs is continued I suppose you do not care whether the service that carries it out is called a Revenue service or a Customs service?—Not if it is done in the same way, and done in the same place. You must remember the Custom House as a house is much nearer to the operations we have to perform than the Inland Revenue offices, consequently that has something to do with it. We, indeed, ourselves 12 years ago removed our offices close by the Custom House for the simple reason that we wished to be near the operations that were going on, because we have four clerks who do nothing else but Custom House work.

25,038. (*Mr. Lawson.*) I gather that you find the obligation of dealing with two departments, especially, of course, with the Inland Revenue, an inconvenience?—Yes.

25,039. And you think it would be far better for your trade if there were one code of rules interpreted in one way under which you had to act?—If the regulations were the Custom House rules I should say "yes;" if the rules were to be as beneficial as those we have at present.

25,040. That I understand; but you think that there is an inconvenience to you as well as a waste to the public in having two sets of officers to deal with; and you prefer to have to deal only with the Custom House all through your business?—I would not object to deal with any, but I think the Custom House suits us best: indeed, in Glasgow, we have nothing to do with the Excise; the Excise is for towns out of Glasgow.

25,041. You have only to deal with the Excise in the transfer of your goods?—Yes, out of Glasgow; we do not in Glasgow have any dealings with it.

25,042. From what you know, do you think that the Custom House officers in Glasgow could perform more work than they do at present?—I should say no, not at present, the number of their officers has been pretty much reduced—we employ about 10 or 14 regularly—there are 10 or 14 officers always at our sheds.

25,043. With regard to the higher officials of the Department, do you believe they could supervise the work generally, supposing there were an amalgamation. Take the collector of Customs at Glasgow; do you think he can supervise the whole work?—I think he could.

25,044. You think he could?—I think the head man, the collector, could quite well manage more.

25,045. Then there must be a certain waste at present in having two?—Certainly. I think it is possible to exercise some economy in reference to the heads of the departments.

25,046. I suppose all those who unite with you in this expression of opinion and who are of the same trade, would not like to have men without experience or knowledge, suddenly thrust into their warehouses?—That is one grievance in prospect that has caused me to come up here to speak to you; there is just that fear that I have because we have experienced, even with new men, such trouble and delay.

25,047. Of course, in time, supposing there were one service, the men coming in would learn the whole duty that was expected of them?—Truly; but if they were moving from the Excise Department, which weighs the spirits, to the other, which gauges, they would not be so good judges as if they were continually at the gauging. A great deal of our wine is done by looking at and shaking the bottle, you cannot uncork a 10*s.* bottle of wine and have it sampled, they shake it and men who are judges of it can test it. It has been often so tested by the bells, that is, the bubbles on the wines, and then undone and obscuration taken, when it was found to agree. In brandy they do not do that, but in wine they do it.

25,048. Would you say that one department is less vigilant than the other in the collection of the revenue?—I know so little about the collection of the revenue in the Inland Revenue Department that I would be wrong in saying anything; but I know that the Customs are very active.

25,049. (*Mr. Cleghorn.*) Have you had much occasion to appeal to the collector of Customs to settle any disputes?—Yes; that is one of the reasons for the position I take. I think the Customs understand us, and on questions between the officer and us we appeal to the collector as a practical man who knows all the practical working of this.

25,050. Have you frequently occasion to do that?—Yes, frequently; our requests have frequently been refused, so that he does not always take the side of the merchants.

25,051. Still you want to have to appeal to a man who understands the business?—That is true.

25,052. And you deprecate having to go before a man who does not understand the business?—Yes; that would be a very serious point with us.

The witness withdrew.

Adjourned to to-morrow at 12.

SEVENTY-THIRD DAY.

7, Whitehall Place, S.W., Friday, March 8, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

EARL BROWNLOW.
LORD LINGEN, K.C.B.
MR. J. CLEGHORN.
MR. R. W. HANBURY, M.P.

MR. H. L. W. LAWSON, M.P.
MR. J. MACLURE, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

MR. HENRY WILLIAM HUNTER, MR. JOHN GEORGE CUNNINGHAM, MR. RICHARD CROWE, and MR. WILLIAM HOMERSHAM WEBSTER, called and examined.

Mr. H. W. Hunter Mr. J. G. Cunningham, Mr. R. Crowe, and Mr. W. H. Webster.

8 Mar. 1889.

25,053. (*Chairman to Mr. Hunter.*) I believe you are a supervisor and the chairman of the executive committee of the supervisors and officers?—Yes.

25,054. (*To Mr. Cunningham.*) What position do you occupy?—I represent the first-class officers.

25,055. (*To Mr. Crowe.*) Do you represent the second-class officers?—Yes.

25,056. (*To Mr. Webster.*) Do you represent the assistants?—Yes.

25,057. You have been good enough to send us a very carefully drawn up memorial. I think it is hardly necessary that we should go in detail over every point in it. I do not know what you yourselves are prepared to do, but what the Commission would like would be that you should call our attention to the special points in it which you desire to bring before us?—(*Mr. Hunter.*) Would you allow us to refer, in the first instance, to the main points of our work, and then to refer to our main grievances?

25,058. (*Chairman.*) Certainly, take it in your own way.—With reference to the work, the main points that we wish to refer to are the responsibility, nature, and extent of our work, which consists in charging and securing Excise duties arising from all sources, spirits, beer, tobacco, and the various kinds of licenses. To do so with success the officer must be acquainted with the operations of distillers, brewers, tobacco manufacturers, rectifiers, and other traders, for without this knowledge frauds upon the Revenue would be possible. The volume of traders' businesses, and the mode of conducting their businesses are matters known to officials, but must not be disclosed. The officer must be a good bookkeeper to render correct accounts for the Board and collector, and a fair correspondent. He must possess a thorough knowledge of mensuration so as to be able accurately to gauge vessels in which charges for duty arise, and, finally, he must possess tact and firmness so as to be able to say no, if pressed by a trader to be liberal at the expense of the Revenue. Where the daily hours are fixed the minimum is eight, and in the majority of cases the working hours of officers are very irregular—that is, they commence early in the morning and end late at night.

25,059. (*Mr. Lawson.*) What is the average duration of your work?—Eight hours for the officers we say is the average. That would dispose of the officers' part. Then the supervisor is acquainted with all the duties of the officer, having passed through the whole of the several grades. He supervises and acts as a check over the officers in his district, varying from six to eight. He checks every calculation made by every officer, and at the close of the month summarises the duty charge accounts and sends copies to the Board and to the collector who receives the duties. Week by week he advises the Board of the amount paid to the collector until the whole charge for the month is met. He acts as practical adviser to the Board on all matters connected with revenue business within his district, including repayments of duties or licenses. He places the particulars of frauds before the Board by report, and, if legal proceedings are ordered, he conducts the legal proceedings to a close before the magistrates. The daily hours of work average from 9 to 10, and in most cases are very irregular, not closing until as late as 9 o'clock at night. In my own instance I can state that on four evenings in the week I am absent from my home at different parts of my district until as late as 8.40, checking the charges at breweries, and I frequently commence at 8 o'clock in the morning. That disposes of that point. Then we come to the main grievances. The main grievances are that the lower or charging grade (that is the officers) and the upper or supervising grade (the supervisors) are each unnecessarily subdivided into three classes, although the work is practically the same, and promotion is only possible on vacancies occurring in the grade above, which is frequently rendered uncertain by fiscal changes, notably so at the present time. Then we would refer to the fact that in 1874 it was stated before the Playfair Commission that an assistant served four years, a second-class officer five years, and a first-class officer five years before promotion.

25,060. (*Lord Lingen.*) If you quote from the pamphlet you have sent the Commission would you be good enough to give the page when you read from it?—That is on page 21. The only difference in the work of the second class officer and the first class officer is that the duties of the latter are more concentrated. We have put in a map of my district to show this point to the Commission.

25,061. (*Chairman.*) An officer of the first class may have his work in a district which may be smaller; but where the population is more dense, may he not?—Sometimes. If you look at this map, the Reigate district, you will see that all the stations of my district are coloured and marked, whether they are of the first or second class. Assistants either do the same work as officers or they act for the officers during their absence. The same argument applies to supervisors, the status of districts being frequently altered from one class to the other without any addition to or subtraction from the work. We therefore ask that the service scale on the lines laid down in your second report should be granted to both grades, subject to the tests of fitness suggested on page 14 of our statement. The charging grade feel that, as it has been publicly admitted by Sir Algernon West to a deputation of our officers who waited on him in January 1883, that their work is of a superior nature to that of an ordinary lower division clerk, a maximum salary of about the same amount should be open by progressive increments, and without any intermediate stops. The supervisors make a similar claim, and contend that their maximum salary should equal that of an ordinary higher grade clerk, say at the head office, Somerset House, where drafting clerks receive salaries of 400*l.* a year, and in the Customs' service, the official corresponding to the supervisor, who is called a surveyor, rises from 350*l.* to 550*l.*, and in the Taxes they rise to 600*l.*

25,062. (*Mr. Lawson.*) Who rise?—The surveyors of taxes.

25,063. (*Mr. Cleghorn.*) Do you assume that the position of the surveyor of taxes is the same or analogous to

Mr. H. W. Hunter. Mr. J. G. Cunningham, Mr. R. Crowe, and Mr. W. H. Webster.

8 Mar. 1889.

the supervisor?—Well, he does to a large extent the same kind of work.

25,064. I mean that is your assumption?—Yes. Then we want to point out that promotion from class to class cannot return to what it was in 1874, and that owing to the fact that since the change from a malt to a beer duty a large number of small brewers throughout the country are continually dropping off. As soon as that happens in any district, the work of that district is re-schemed by our inspectorial staff, and some men done away with. Between 1883 and 1888 no less than 290 appointments above the grade of assistants, that is, the junior grade, have been abolished, or, in other words, about three years' promotion. There would not be more than 290 men promoted to the second class officerships in three years, so that between 1883 and 1884 290 appointments have been done away with from these younger men, and we cannot go back because there is no work for our men throughout the country. If a few brewers give up in a place it abolishes one officer, and so on like that, and with the small brewers, as I say, the tendency is for them to decrease.

25,065. (*Chairman.*) I understand that that part of your case is this, that the higher officers among the supervisors and other classes become unnecessary from the change of conditions, whether from legislation or otherwise, and that there is a consequent absence of the same rapidity of promotion?—Yes.

25,066. There are not so many plums in the profession, if you like to call them plums?—That is so.

25,067. And, in order to put that right, you suggest that there should be a service scale of salaries?—Yes; that there should be a service scale for the officer and a service scale for the supervisor, and all the subdivisions in the supervisorship and in the officership should be abolished. I am, for instance, a second class supervisor, and one of my colleagues who is giving evidence now is a second class officer. A first class supervisor does exactly the same kind of work that I do, and he works no more hours than I do, and at the present moment I have attained my maximum salary, and it is quite possible that it may be five years before I will be promoted to the first class—quite possible; in fact, I think it is very probable if I take my turn.

25,068. Do you suggest, further, that the rank or the class of supervisors should be kept as it is, distinct from the officers?—Certainly.

25,069. You do not propose that as soon as the first class officer gets a certain maximum he should become a supervisor by mere length of service?—No.

25,070. You mean to keep those distinct?—Yes. The distinctions must be kept.

25,071. (*Mr. Hanbury.*) You said there were fewer plums at the top of the service, but, I suppose, at the bottom of the service there are fewer people entering who would compete for those plums ultimately?—Nothing like the same proportion. (*Mr. Crowe.*) There is a per-centage of 13·8 of appointments in our department above the rank of officer. (*Mr. Hunter.*) Just one other point. I gave you the total number of officers above the rank of assistant, and then between 1883 and 1888, 18 appointments above the rank of supervisor have been abolished. In my own case that would delay my promotion for over three years. If I were promoted it would delay my chance of being allowed to compete for promotion, because I should have to compete for the inspectorship amongst a lot of men—my colleagues—and my chance of being allowed to compete is delayed fully three years by the abolition of these 18 appointments, and they cannot come back again, because these 18 men above me are not required, and, of course, we do not say they should be put there merely to keep promotion for us; we know they cannot be put there for that, but we say, that is a reason why a service scale of salary should be possible, so that we could proceed to a certain salary without these fiscal changes interrupting the promotion. (*Mr. Crowe.*) Comparing the year 1874 with the year 1888, there are 74 fewer appointments above the rank of second class officer.

25,072. (*Chairman.*) Then that is exactly the same case, as far as the principle is concerned, as Mr. Hunter has been stating with reference to the supervisors?—Yes.

25,073. It is the general case, namely, that the upper appointments became fewer, and, therefore, of course, the prospects of the lower ranks are worse than they were?—(*Mr. Hunter.*) I have, on behalf of the supervisors, prepared a short paper that we want to put in. It shows the proportion of appointments in some offices. In the secretary's office in our own department at Somerset House there is 43 per cent. of men with 400*l.* a year and upwards, and about 45 per cent. in the Controller General's; 38·4 in the Receiver General's, and 35·0 in the Controller of Stamps and Stores, and open to our young men there are only 2·8 superior appointments of over 400*l.* a year. I have pointed out in this memorandum a number of changes where the districts have been changed from first to second class without any addition in work, and have shown also, in some cases, the amount of duty collected to show that that is no criterion of work. I have also submitted four examples of the kind of reports that supervisors make to the board showing their importance, and, of course, in some cases, the amount of duty would be very largely affected. Those are taken from my own correspondence and the fractional numbers of the cases are given with the names omitted.

25,074. (*Mr. Hanbury.*) Do you say that your work is much more responsible work than that of the clerks at Somerset House whom you have mentioned?—I could point out one case. For instance, when I submitted a case for repayment of 18*l.* to a brewer through an accident by a vessel of his falling, the clerk who drafted the reply to me receives over 400*l.* a year, and I who wrote the original report and estimated the quantity that was lost and estimated the amount of money that should be repaid get about half the salary of the clerk who drafted the reply approving of my letter.

25,075. (*Chairman.*) Then your second point is the difference in remuneration for the similar kind of work which you say is performed by the indoor and the outdoor officers?—Yes.

25,076. Those at headquarters, in fact, and yourselves all through the country?—Yes.

25,077. What changes have recently taken place. There has been a partial re-organisation of your department in the last two or three years, has not there?—Yes, consequent, as I said, on the ceasing of a large number of small brewers throughout the country. The Beer Act came into force in 1880, and then, between that time and the present there have been as many as 6,000 small brewers who have ceased working. There have been small re-organisations taking place every year since 1880, but a thorough overhauling of the country of all the stations throughout the United Kingdom took place in the early part of 1887. The result of that was, as I said, the abolition of a large number of second class officers, first class officers, supervisors, and collectors.

25,078. Was that effected by removing some officers from the service and pensioning some off?—Promotion was entirely stopped for 12 months, there was no promotion of any kind for 12 months. (*Mr. Cunningham.*) A number of second class and first class officers became redundant in consequence of the change, and were placed on half pay for a considerable period, some of them. (*Mr Hunter.*) On the map I handed in there is one station shown that I did not have before 1887, Epsom. I am supervisor for all the six stations on that map. I am at Reigate district and then there is the Reigate station, and there is Horsham station, both first class, and then there are Epsom, Dorking, East Grinstead, and Red Hill, second class. Before the re-organisation of 1887 there were six officers in that piece which I did not have then, but there are now five. A brewer having ceased to work at Charlwood the Board communicated with the collector and myself, and in the end that officer was done away with, a portion of his station being given to this station, a little bit of it to this, and so on.

25,079. (*Lord Lingen.*) Is it through that piece that you are late at night?—We are late in any case. One of the largest brewers in my district is at Horsham, and if I am any use at all as a check officer I have to visit Horsham in the evening when the brewer collects his beer, to see that he enters the proper amount and that the officer charges the proper amount. That is the use the supervisor is. I have to visit East Grinstead the same, and also to visit the other districts; I visit them in turn. The officer probably never knows when I am coming until I walk into his office. I frequently go to the breweries and do not come to the office to all. The same with the bonded warehouses. The officer who has to deal with the casks of spirits can never tell when the supervisor will come.

25,080. (*Chairman.*) I believe you have only one bonded warehouse in your district?—Yes, at Reigate.

25,081. (*Mr. Cleghorn.*) Where is your headquarters?—At Reigate.

25,082. Do you reside at Reigate?—Yes.

25,083. (*Chairman.*) That is a district of the second class, is not it?—Yes.

25,084. And it is considered to be properly served by the officers you name?—Yes.

25,085. Is a first class district a more populous district or a larger district than a second class one?—It might be a more populous one, but not as a rule, as you will find if you will refer to my paper. Guildford district, which adjoins me, was at one time, until about a year ago, a first class district. The gentleman who was there died, and then they appointed another man; but turned it into a second class district and reduced it. The Board have power to make those changes and often do. They might raise my district now from a second-class to a first-class district if they wished to do so, and they could do that without in any way altering the work, or changing the man.

25,086. (*Mr. Lawson.*) What I understand is that the status of a district depends upon the personal position of a supervisor and not upon the population or area, is that so?—Yes, that is the case. There are plenty of second-class districts very narrow and some of them very wide, and plenty of first-class districts very narrow and some of them also very wide.

25,087. (*Chairman.*) Still the assumption is, as I understand it, so far as you know, that the principle upon which the board divides up these districts, is that a first class district is a position of more responsibility than a second class district?—If you will refer to the paper I have put in you will see that the duty in my district is about 50,000*l.* a year, taking licenses and all. I have not got the exact amount of licenses because I could not get it; but the duty is about 50,000*l.* a year. There are several first class districts where the duty is not above 25,000*l.*

25,088. But you have said yourself that the amount of duty is not entirely a criterion?—Yes, that is so.

25,089. Is not there a difference between first and second-class districts, based upon the responsibility or the nature of the work in some form or other; is not that the idea?—It is the idea, but it is not the fact.

25,090. Do you say it is not carried out?—When I was what they call a deputy supervisor I officiated in a number of first-class districts, and I officiated in several London districts, where the duty was above a quarter of a million a year in some of them, and I could, as far as hours of labour are concerned, do the London district in perhaps a little less than my present one, for the simple reason that the work is more concentrated. In Dublin districts where the duty may be very large because of the distilleries, I could do the work in a little less time than I could do my present work also, because it is more concentrated; in my district you have to travel so much.

25,091. (*Mr. Cleghorn.*) Do you keep a trap and horse?—No, I do not; a trap and horse would not be able to go over my district, it would take a couple of horses to go over the district. I travel by rail and hire.

25,092. (*Chairman.*) I understand your position to be that as regards these first and second class districts over which there is a supervisor, there is practically no difference between the work, and there is no reason why when an officer becomes a supervisor according to the distribution of the district he should not go on by service scale and become a first class supervisor without there being a vacancy in the upper division?—Yes, with this condition: we say we are willing to submit ourselves to any reasonable test, that is, that we do our work satisfactorily and obtain the certificate of our staff officer, and that the books of our district show that we have done our work satisfactorily; we are willing to submit to that, and subject to that test we say that there ought to be no distinction, and we go further than that, and say that there should be no distinction in the case of officers. Here is Horsham station, for instance, called a first class station, and in area it is not larger than Epsom. (*Mr. Crowe.*) Epsom is second class. (*Mr. Hunter.*) Yes, Epsom is second class, and Reigate is a first class station with a bonded warehouse attached to it, and is almost equal to Epsom in area.

25,093. (*Lord Lingen.*) When a first class district becomes vacant is it, as a matter of course, always filled up by a first class supervisor?—It is sometimes filled up by a second class supervisor, if it is reduced; if continued first, then by a first class supervisor.

25,094. Is that sometimes?—Generally, because they must promote a man from the lower class into the upper to fill the vacancy; they have no other way of doing it.

25,095. Then a second class supervisor may be put in charge of a first class district?—A second class supervisor might.

25,096. (*Chairman.*) He would become a first class supervisor on his promotion to a first class district, would not he?—Yes, Guildford was raised from second to first class for the previous supervisor, and then reduced from first to second for the present supervisor; but no change was made in the work. Canterbury was raised from second to first class for the previous supervisor, and then reduced from first to second for the present supervisor. Chester was raised from second to first for the present supervisor. The Dudley second district on the appointment of the present supervisor was reduced from being a first class district to a second class; and a few months afterwards this gentleman was raised in the same district with the same work from second to first, and he is my junior now; that is rather curious.

25,097. (*Mr. Hanbury.*) What do you mean by curious?—That, without any change in the work, in the first instance, it was reduced from being a first class district to a second class district, and that then without any change of any kind with still the same supervisor occupying the district it was raised.

25,098. You do not know any reasonable explanation of it?—None.

25,099. (*Mr. Cleghorn.*) The board might have reasons of their own for it?—Of course they may have. The gentleman is junior to me, and junior to some hundreds of men. We do not know, of course, what reasons the board may have had.

25,100. (*Lord Lingen.*) May I take this for certain, and unconditionally, that a first class district means a district under a first class supervisor?—Yes. And we contend, as I have explained, that the supervisors wish the barrier broken, and the officers demand the same. The duty in many second class stations exceeds the first, and with reference to each officer, no matter whether he is in a first class station, or in a second, the supervisor or the collector is responsible that he has a fair amount of work assigned to him. In Guildford and Yarmouth, now second class, the duties are 46,000*l.* and 62,000*l.* respectively. In Hastings, recently raised to the first class, they are 23,000*l.*, and in Wrexham, also recently raised to the first class they are 30,000*l.*

25,101. (*Chairman.*) Then, with regard to promotion from a second class to a first class supervisor, that is made when there is a vacancy, as I understand it, in a first class district?—Yes.

25,102. Is that promotion made by seniority?—It is not purely by seniority.

25,103. It is seniority coupled with fitness?—Tempered by fitness and selection.

25,104. (*Mr. Cleghorn.*) Is there an examination before that appointment is made?—The working books, of the supervisor's district are taken out and inspected at the head office to see whether they are all kept in a satisfactory manner. A limited number of the calculations are checked to see that the brewer is surveyed according to the regulations, and that all the work is done in a proper and methodical manner.

25,105. (*Mr. Hanbury.*) But when a second class district is turned into a first, as it is sometimes, is the supervisor, who has been the supervisor in that second class district, invariably given the supervisorship in the district, which then becomes a first class one?—It is a frequent occurrence that the supervisor in the position of second class is turned into a first class; but his books would also be subject to the scrutiny.

25,106. (*Chairman.*) That is not a point, I believe upon which you desire to say anything now?—No.

25,107. (*Mr. Lawson.*) Is it usual for a change in the district to be made on the occurrence of a vacancy?—Not always; the districts are frequently changed without that at all.

25,108. (*Chairman.*) What you have been saying on behalf of supervisors with reference to their districts is also what you wish to say on behalf of officers as I understand?—Yes. (*Mr. Cunningham.*) Practically it is.

Mr. H. W. Hunter, Mr. J. G. Cunningham, Mr. R. Crowe, and Mr. W. H. Webster.

8 Mar. 1889.

25,109. It is exactly the same thing as I think you have stated in your memorial?—Yes.

25,110. The general contention being both on behalf of you as officers and of the assistants (to whom we will come presently), and also on behalf of the supervisors that what you want is what you call a service scale?—(*Mr. Hunter.*) Yes.

25,111. Rising by seniority to the maximum in each class?—Yes, without any barrier like there is at present.

25,112. Without any barrier between the grades up to first class officer for the officers and up to first class supervisor for the supervisors?—Yes. (*Mr. Crowe.*) There is practically no difference at all between the duties of first class officer and second class officer. In many cases even the duties charged in a second class station are more than they are in the first. I have a little table here for comparison which I would like to hand in (*handing in same*).

25,113. Upon this point you go into detail, I think, in your book. Perhaps you would state shortly what your proposals are?—(*Mr. Cunningham.*) The proposals would be found on pages 13 and 14 of the amended statement.

25,114. You propose the abolition of classification of supervisors and officers and of the existing distinction between officers and assistants, and the substitution of the designation "unattached officer" for "assistant"?—Yes.

25,115. That is quite intelligible. Then you propose the granting of a scale of salaries for officers at 80*l.*, rising by 5*l.* to 100*l.*, whereas they now begin at 50*l.*?—Yes, without allowances. (*Mr. Crowe.*) In addition to that 50*l.* they receive 2*s.* a day when they are actively employed.

25,116. Then is there any increase as far as salary is concerned in your proposals?—(*Mr. Cunningham.*) Not in the initial salary.

25,117. There is a difference, is there not, in the maximum?—We suggest an increase in the maximum.

25,118. You suggest an increase of salary to 100*l.* in the maximum for what you wish to call "unattached" officers?—Yes.

25,119. The assistants of Excise, I believe, rise in six years to 65*l.*?—With allowances.

25,120. And with allowances, that would make, so far as I understand, about 95*l.*?—(*Mr. Hunter.*) About 95*l.*

25,121. So that that would be an increase of about 5*l.*?—(*Mr. Webster.*) Yes, just so. (*Mr. Hunter.*) But then the assistants also claim that if they obtain the certificate of fitness, they should proceed on because they are unattached officers still. (*Mr. Cunningham.*) On page 14 you will find a suggestion as to this.

25,122. Is it the case now that the assistant officers whom you propose to call "unattached" officers stop at their maximum unless there are vacancies in the second class above?—(*Mr. Hunter.*) Yes, that is the case.

25,123. Does that apply right through the service?—(*Mr. Crowe.*) That applies also to the case of the second class officers. (*Mr. Webster.*) I have been practically eight years at the same salary without any increase.

25,124. Do you mean that you rose to your maximum?—I have not had any maximum. I am practically at the same salary now as at the first year I entered.

25,125. (*Mr. Lawson.*) As an assistant?—Yes.

25,126. (*Chairman.*) What does a man get after three years' service?—That only applies to an assistant who entered the service before 1885. There was a reduction of the salary in 1885 to 50*l.* It was formerly 60*l.* There was not any increment then, but the increment of 7*l.* 10*s.* was only given to the assistants who entered since 1885. I mean the triennial increments. There are about 750 assistants and only 250 of these receiving the triennial increments; the others only received a single increase of 5*l.* after six years, and, as I have said, I have been eight years, and many of them will have been 10 and 12 years, before they are promoted to the next class, and they will only receive during the whole of that time 5*l.* increase over their original salary.

25,127. (*Mr. Lawson.*) Are you now at the original salary of 65*l.*?—95*l.* is mine.

25,128. Do you mean 65*l.* plus your extras?—No, I have a fixed salary of 95*l.*

25,129. Are you an assistant late of the first class?—Yes; the class has been abolished. I was appointed first class assistant.

25,130. Then in the estimates it is a misleading thing to say that the assistants of Excise only get 65*l.* or 50*l.*, as the case may be, because they get 30*l.* in addition?—They get 2*s.* a day every day they are employed in addition. I think that is shown under the head of allowances.

25,131. (*Chairman.*) You, apparently, Mr. Webster, have been receiving 60*l.* plus 30*l.* when employed, and you have been employed during the whole time of your service?—I received that for four years, and then I was appointed first-class assistant, a distinction which has now been abolished; and for four years I have received a fixed salary of 95*l.* I was four years receiving 60*l.* plus 2*s.* a day, and my average salary for those four years was 90*l.*, and then when I was appointed first-class assistant I received that increase of 5*l.* only, and I have not had any further increase during the whole time. I should like to repeat that although I have been eight years many present assistants will be 10 years and possibly 12.

25,132. An assistant appointed under the present system will be how long before he gets to the salary that you were at the first year?—An assistant appointed at present would not receive the same salary until about three years afterwards.

25,133. And after six years he would get 95*l.*?—Yes.

25,134. (*Mr. Hanbury.*) Was the scale before 1885, from your point of view, a better or a worse one than that?—The initial salary was better. There was no increment received, but the initial salary was 10*l.* more.

25,135. Taking it all through?—Taking it all through, I think it was about the same.

25,136. (*Mr. Lawson.*) You made a slightly better bargain than you would have if you had entered under the present conditions?—Yes. (*Mr. Crowe.*) I may also say that I have been practically four years and four months at my maximum salary, because in September 1887 the maximum of the second-class officers was increased from 130*l.* to 140*l.* I stood at the old maximum for three years and ten months. I have been now at the present maximum six months, so that I am practically four years and four months at my maximum salary, and shall be two years more at least before I am appointed to the first class under the present arrangement.

25,137. (*Chairman.*) Your suggestion is also on behalf of your class, that you should go on by regular increments to a maximum of 190*l.*, and then in the next class that the maximum should begin at 190*l.*?—Exactly.

25,138. And in fact that it should not be a class at all, but grades, that you should go on by 10*l.* to 250*l.*?—(*Mr. Cunningham.*) We say that the officers who have travelled to the 190*l.* should proceed into the grade above on satisfying the conditions.

25,139. Which you set out on page 14?—Exactly. (*Mr. Crowe.*) In the case of a collector's clerk of the second class, he commences at 100*l.* a year, and goes by 5*l.* up to 140*l.*, and then without any break by 7*l.* 10*s.* up to 220*l.*, while a second-class officer who commences at 115*l.* and goes by 5*l.* a year up to 140*l.* is there stopped until there is a vacancy in the class above, which at the present time occurs in about five years; he is practically stopped five years now, and the interval will become greater. (*Mr. Cunningham.*) He goes up to 220*l.* without any test whatever. (*Mr. Crowe.*) These collectors' clerks are recruited from the outdoor department. (*Mr. Cunningham.*) I may say that I have served as a collector's clerk and I have practical knowledge of what the work is and of its value as compared with that of an officer of the Excise of the outdoor branch.

25,140. There, again, is the comparison which you draw between yourselves—the outdoor officers—and the indoor officers?—Quite so.

25,141. (*Lord Lingen.*) What promotion is before a collector's clerk after he has reached his maximum?—A superintending clerkship is the highest point which he can reach at present.

25,142. Therefore in that respect he compares very unfavourably with the lowest officer of the outdoor service, who may become a collector and an

inspector?—The prospects of a collectorship are extremely distant. The superintending clerk reaches the same maximum as a first-class supervisor. A great many of the clerks might get to that position, but only one officer in six can possibly reach that position. (*Mr. Hunter.*) And only one officer in six can become a supervisor, and only one supervisor in three can ever become a collector. (*Mr. Crowe.*) I would like to say that there is 43·3 per cent. of appointments of 280*l.* and upwards among the collectors' clerkships, whilst there is only 13·8 per cent. of appointments above 220*l.* in the outdoor department. We may, of course, rise to higher appointments, but they are very few.

25,143. (*Chairman.*) The principal point in your case is, is it not, the diminution in the number of the higher appointments?—Yes, quite so.

25,144. And the natural desire, of course, for increased salary?—And the slowness of promotion consequent upon that.

25,145. The slowness of promotion is really the principal thing, is it not?—(*Mr. Cunningham.*) The retardation of promotion has been very serious. I am a first-class officer. I have now served 17½ years. When I entered the service, in 1871, men of my rank were passed into the supervisor's rank after 16 years' service. I have now had 17½ years' service, as I have said, and I am still a first-class officer. I shall probably be a first-class officer under the most favourable circumstances for quite two and a half years to come, and that will give me somewhere about 20 years' service before promotion to the supervisorship.

25,146. As against what?—As against 16 years when I entered the service.

25,147. Then it takes four years longer?—At least that. (*Mr. Crowe.*) I have been in the service 13 years and 2 months, and I have 140*l.* at the present time, which is 50*l.* more than when I entered.

25,148. I quite understand that there is an increased slowness of promotion. Then we come to the question, How is that to be met? In the first place, is it right that it ought to be met by the Government; and in the next place, could anything reasonably be done to make your position better without bringing too heavy a burden upon the Exchequer? I observe you make a very strong statement in your green book; you make the statement that there is discontent and dissatisfaction permeating the service from end to end. That is a very strong statement?—It is perfectly true. (*Mr. Hunter.*) Yes; this agitation commenced very shortly after the passing of the Beer Duty in 1880, and it was to a large extent in consequence of the passing of the Beer Duty, which changed the officers' work under the old Malt Duty. The maltsters only worked on the average about eight months in the year, and the greater part of the malt work was done in the morning portion of the day, because, in fact, operations were, as a rule, by law forbidden after 4 o'clock.

25,149. And also during a limited period of the year?—Yes. Then under the Brewing Law the brewers worked the whole year round, and they call the officer out early in the morning, perhaps all day, and frequently at night. (*Mr. Crowe.*) Usually at night now. (*Mr. Hunter.*) Yes, usually at night, because they generally collect their beer then, and the charge is made at night, and the officer goes to take the charge. So the work has been changed since 1880, and made more disagreeable to the officers, and we consider that that point alone is one which has never been made up for us since the imposition of the Beer Duty. We brought one of the brewing books here to show you the importance of the officers' and of the supervisors' work. This (*producing same*) is the brewing book of the Reigate Station. The charges that are here made are made by the officer going to the brewery and dipping the vessels and testing the gravity of the beer, and then the charge is set out. But the supervisor of course checks occasionally a certain amount of those, as much as he can through that district, and at the end of the month the whole of those charges are made up, and we send an account to the collector to receive the money, and an account up to London in order that they may raise a charge against the collector to see that all those amounts reach the Exchequer. We hold that the officer who surveys a brewery and makes an original charge does more important work than an ordinary clerk who merely performs clerical work, because if the officers are not particular in charging the full amount of duty on the brewer, distiller, or bonded warehouse-keeper, it would be absolutely lost to the revenue, unless the supervisors came in and checked that particular charge and raised it. We hold then that the officer is entitled from the very nature of his work to at least as good a scale of pay as that given to those we call second division clerks. And we also hold that the supervisor who supervises that work and checks the accounts, and checks the officer, does more important work than an ordinary higher or drafting clerk in the office; and that he should have at least an equal amount of salary. We do not think that it is our business to point out where the increased cost should come from. We know that this discontent, as I say, has been going on for over eight years, and we could not more clearly say how dissatisfied we are. We have thoroughly looked into the question, and we know, by comparisons with some men who have left our service and gone into the indoor office in Somerset House, what is the difference in position. I myself spoke to one of those the other day, and got a thorough description of his work. He himself admitted that he is now progressing to 140*l.* in the office by annual increments. He would have been an assistant if he was in the outdoor service, and for the next four years would have been at 95*l.* He admitted that he was doing clerical work of a merely routine character; but if he had been outside he would have been charging duties on brewers or doing work of a very important character. (*Mr. Webster.*) I should like also to say that to the accuracy of every statement in every one of these books the officer must be prepared to swear in a court of law.

Mr. H. W. Hunter, Mr. J. G. Cunningham, Mr. R. Crowe, and Mr. W. H. Webster.

8 Mar. 1889.

25,150. I am only asking you with reference to the feeling of the service. It is a very important statement you make. I quite understand that there is a general desire on behalf of the service that there should be quicker promotion and that there should be some changes made in the salary. At the same time it is a strong statement that you make, and I am sorry to hear that you endorse it?—(*Mr. Cunningham.*) On page 30 you will find details showing how wide the discontent is. I beg to hand in on this occasion a copy of the petition which we recently presented to the Commissioners of Inland Revenue, and of the correspondence which ensued thereupon (*handing in same*).

25,151. (*Mr. Hanbury.*) Do I understand that the discontent rests upon this basis, that the work you do is very much more responsible than that done by the clerk in the indoor department and yet he gets paid more than you do?—(*Mr. Hunter.*) Yes.

25,152. It is on the ground of the responsibility of your work?—Yes. (*Mr. Hunter.*) We have alluded to the loss of prospects. (*Mr. Crowe.*) I should like to say, before we go from this portion of the subject, that the supervisor in the days of the malt duty had more facilities for checking the officers than he has at the present time, because the basis of the charge in breweries is more perishable, owing to the attenuation of the worts.

25,153. (*Chairman.*) Have you formed any idea as to what the cost of the suggestions that you make would be to the establishment of the Inland Revenue, or is that a subject upon which you would rather not express an opinion?—(*Mr. Cunningham.*) We have got insufficient data. (*Mr. Crowe.*) It would be very small at first. (*Mr. Hunter.*) We could only roughly enter into that. (*Mr. Cunningham.*) The data at our disposal are not sufficient to enable us to offer really a substantial and correct figure.

25,154. You have handed me a paper which appears to me to be of late date (1888), which is a reply of the Board to a memorial which is presented, I think, by exactly the gentlemen you represent?—(*Mr. Hunter.*) Yes.

25,155. In that letter the Board states that a general increase of salaries and allowances would extend to about 150,000*l.* on the mean and 300,000*l.* on the maximum cost of the present outdoor Excise branch? How has the maximum cost been worked out?—That maximum cost could not possibly be; it is a word that I do not exactly understand the force of, as it is put there. 300,000*l.* would be the increased cost if every man in the service was always at his maximum; but that is a perfect impossibility with a service of over 3,000 men.

25,156. I understand it to mean this: I daresay it is an impossibility, but still I resume that there is a maximum cost to the present service?—Yes.

25,157. And that is equally impossible to attain?—It is.

Mr. H. W. Hunter, Mr. J. G. Cunningham, Mr. R. Crowe, and Mr. W. H. Webster.

8 Mar. 1888.

25,158. If you compare the present maximum cost, and the maximum cost, if all the suggestions you make were adopted, I imagine that the meaning of this paper would be that the 300,000*l.* would represent the increase?—(*Mr. Crowe.*) I do not think that it would be so large.

25,159. I am not saying that it is so, but that that is the statement in this paper?—Quite so. (*Mr. Hunter.*) With reference to the mean cost, we consider that is slightly above what it would cost if it were put in force. According to the best information we have, we estimate that it would not cost at any time more than 120,000*l.* a year, and that would cover the cost of the superannuation charges as well. We consider the first year's increase of salaries would be met by an increase of something like 20,000*l.* Of course that sum would go on augmenting from year to year.

25,160. (*Mr. Hanbury.*) This grievance, as far as I can make out, only affects people who are in the service at the present moment. People who are entering now will know what offices there are open and what chances of promotion there are, and will act with their eyes open; it is only the people in the service now who have been disappointed in their promotion by those offices being abolished?—Yes; but the incoming men are liable to changes or alterations in fiscal policy quite as much as we have been; and it is to avoid that alteration of prospects which may arise from changes in fiscal policy that we suggest a service scale. (*Mr. Crowe.*) I do not think it would be a very good policy to lower the status of the service, because an officer has to act very much upon his own initiative.

25,161. (*Mr. Cleghorn.*) What do you mean by lowering the status of the service?—By putting the incoming men lower; of course they cannot reach the same salaries that the older men used to, unless there is some reorganisation.

25,162. (*Mr. Lawson.*) You complain in your memorandum that there is an entire absence of rewards for good service to officers. How do you think that would be supplied by the changes that you propose?—(*Mr. Hunter.*) An officer who would satisfy his chief would go on by a progressive salary, and would not be stopped as this second-class officer and this assistant here are stopped, and I as a second-class supervisor am stopped. If the barriers were removed the officer and myself would both proceed, and so would the assistant examiners.

25,163. I know that, but, of course, that would involve regularity of promotion, but it would not supply any particular reward, would it, for good service?—(*Mr. Cunningham.*) It would give the Commissioners of Inland Revenue an opportunity of stopping the inefficient officers at the barriers we suggest. (*Mr. Crowe.*) I may say I am stopped at 140*l.* now, and I have never had any report at all of any character scarcely against me, and we are reported for any little irregularity in the Excise.

25,164. (*Chairman.*) Do you wish these papers to be handed in, giving your reply to the Board in the memorial?—(*Mr. Cunningham.*) Yes, the rejoinder summarises our arguments to a great extent.

25,165. (*Mr. Lawson.*) I understand you to maintain that the divisions in the lower or charging grade are purely artificial?—(*Mr. Crowe.*) Yes, quite so.

25,166. That they do not represent any real distinction of work?—No, it is a distinction without a difference. (*Mr. Cunningham.*) I have been through all the grades I may say, and I can corroborate that. (*Mr. Hunter.*) And I have been a supervisor in a number of districts, and I can corroborate it.

25,167. Would you say that an assistant has the same measure of responsibility as an officer of the first or second class?—When he is doing the officer's work he has. (*Mr. Webster.*) He does exactly the same work whilst he is officiating for the officer.

25,168. Does he only officiate in the case of absence of officers?—A few of the seniors are employed in permanent stations. I am in that case myself—I am in a station with a first-class officer—the duty charged at that station is about 23,000*l.* a year. I do exactly similar work to the officer, and there is no difference whatever, my salary is 95*l.*, his salary at present is 220*l.* I submit in that case that I ought not to be employed in such responsible work, and that an officer who has such responsible work as that to do should have more salary—there should be two first-class officers there instead of one.

25,169. Are you responsible for the collection of the whole of that revenue?—No, only for half of that. I am jointly with the officer responsible for the charging of duty amounting to between 22,000*l.* and 23,000*l.*

25,170. (*Lord Lingen.*) How long have you been discharging that superior work?—I have been in the station about 2¼ years at the present time.

25,171. And discharging superior work?—Discharging that work.

25,172. All that time?—Yes, all that time.

25,173. (*Mr. Hanbury.*) It is quite clear that if there were collusion between the officials and the brewers the revenue would be defrauded to a great extent?—Certainly, until discovered by a superior official.

25,174. I want to know in what grades possibility of such collusion exists?—(*Mr. Crowe.*) It would exist in the whole service.

25,175. How low would it go?—(*Mr. Webster.*) To the lowest.

25,176. But the lower officer would be checked, I suppose, by his superior officer?—(*Mr. Cunningham.*) By the supervisor.

25,177. But is there nobody who can check the supervisor?—Yes, there is the inspector who can come at any time unexpectedly. (*Mr. Hunter.*) And also occasionally the collector acting in the capacity of inspector.

25,178. (*Chairman.*) He would make periodical visits?—(*Mr. Cunningham.*) Quite so. (*Mr. Hunter.*) In my case the inspectors have not been to my district for three years.

25,179 That shows confidence in your supervision?—(*Mr. Crowe.*) An inspector has not been in my station for the last two or three years.

25,180. (*Mr. Lawson.*) What is the method of checking your own returns?—(*Mr. Cunningham.*) The entries are actually checked by the supervisor. (*Mr. Hunter.*) I could show you if you wish the taking of a sample of spirits, we have the means here if you wish to see, it would only be a matter of a minute or so. The quantity in the vessel is taken by dipping. The vessel is gauged and tabulated, and the quantity is obtained by dipping, and the gravity, and then it is worked out according to the standard gravity, and that is totalled up at the end of the month

25,181. (*Mr. Lawson.*) That is not quite an answer to my question; I want to know how far your superior officer would be able to check that?—The supervisor is able, as far as the limited time placed at his disposal, to check all the work of the officer.

25,182. Supposing it was a fraudulent return obtained in order to benefit the trader in the particular case, what hold has your supervisor over you?—(*Mr. Cunningham.*) After the lapse of a few hours no hold whatever, because the brewers' operations are such that the gravity upon which our charge depends would be altered altogether, and the supervisor would have no means at his disposal of checking the original gravity.

25,183. (*Mr. Hanbury.*) What is the lowest officer, then, upon whom that responsibility is cast?—The assistant.

25,184. (*Mr. Lawson.*) The lowest of all?—Yes. (*Mr. Crowe.*) We all practically do the same work—all the officers. (*Mr. Hunter.*) The same with the spirits at the bonded warehouse, Reigate. If a cask of spirits is charged by an officer, and he charge 1*l.* too little on it, and I come in five minutes after the cask has gone away, I could not check it. If I came in before the cask went away, of course I could check it, but once it has left the premises I could do nothing with it; so I have to trust to the officer at that station. If you want a supervisor over every officer that would be very expensive.

25,185. In most cases, of course, you have an absolutely final responsibility?—The supervisor has to a large extent. (*Mr. Cunningham.*) And the officer has.

25,186. I want to know in relation to a particular sample of spirit or beer; is there anybody who gauges except yourself?—Do you mean in the case of the officer?

25,187. Yes, in the case of the officer?—Not unless the supervisor comes in, which is purely an accident, so far as he is concerned. The officer never knows when the supervisor may come.

Mr. H. W. Hunter, Mr. J. G. Cunningham, Mr. R. Crowe, and Mr. W. H. Webster.

8 May 1889.

25,188. (*Chairman.*) It is the business of the supervisor to be responsible for the proper conduct and the efficient charging of all the officers in his district?—Quite so.

25,189. And it is his first business to take the proper means of ascertaining that the various officers, from the lowest to the highest, are performing their duty?—Yes.

25,190. And if he is satisfied that a particular charging officer is to be trusted he does not exercise so much supervision?—No.

25,191. But if he has any reason to suspect that he is either incompetent or dishonest—I will not say dishonest, I would rather say lax—if he has any reason to suspect such a thing it is his business to put a further check upon that?—(*Mr. Hunter.*) Yes, the supervisor then would devote particular attention, and he would make visits at times which he, himself, from his experience would know, would enable him to check those points that he thought were lax on the part of the officer.

25,192. (*Lord Lingen.*) Although he does not go into the work, and could not go into the work of each individual officer in his district, he is at liberty to go into any detail of the work that he choses, and the officer in his district does not know which part of his work the supervisor will take up?—No.

25,193. That is a true statement of the organisation and discipline of the service, is not it?—Yes. Every charge that is made by an officer the supervisor must himself check to be satisfied of the correctness of the charge, because it would not be safe to leave the revenue depending on his calculations entirely. Take a cask of spirits; every calculation must be checked by the supervisor, because there might be a loss of duty by the officer making a mis-calculation by mistake, a clerical error, and the supervisor, therefore, has to check every calculation on which a charge of duty arises made by each officer within his district. If you look at that document you will see the charges are all checked by the supervisor.

25,194. (*Mr. Hanbury.*) If an assistant goes into a brewery and makes his calculations there, if the supervisor is not there at that time, how can the supervisor check him afterwards?—(*Mr. Cunningham.*) He can only check the calculations. (*Mr. Crowe.*) He cannot check the basis of the charge unless he goes in immediately. (*Mr. Hunter.*) The assistant puts down his charge in the official books, and it stands there as the basis of the charge. (*Mr. Crowe.*) I may say that I have raised the gravity in a beer vat upon brewers by one degree, and that meant 1*l.* to the revenue, that one degree alone. If I allowed that to go for only a couple of hours there was no possibility of anybody checking it, unless it was sampled and distilled, and then that is not always an accurate test. (*Mr. Hunter.*) With the brewers it is a very simple matter. In the case of testing spirits it is a matter of money to the trader as well as to the revenue, and as a rule the trader is also trying in each case to get you to call both the quantity and the strength a little lower than you may be willing to call it, and the officer must be a man with a certain amount of nerve for him to say no, when he has reached the proper limit; he must say no, and go no further, or the revenue would lose.

25,195. (*Chairman.*) Is there any other point that you would like to call the attention of the Commissioners to, because, I think, we have got your case fully before us?—(*Mr. Cunningham.*) With regard to first-class officers, I should like to say a few words upon the question of travelling allowances.

25,196. Would you kindly refer to the page. Do you refer to the allowance for horses?—No; that is not the point, because the nature of my work does not require a horse to be kept. But in consequence of the wide extent of my station and the number of visits I have to pay to people who are under Excise surveillance, expense is involved in my case. (*Mr. Hunter.*) And also in wide first-class stations like Horsham. There is no allowance for officers of first-class stations. (*Mr. Cunningham.*) An expenditure is also incurred from the fact that rents are so high in the locality where my duties are performed that I find that I cannot afford to reside there. I therefore reside in a cheaper suburb, and I have to pay my travelling expenses between my residence and the place where my duty is performed.

25,197. (*Mr. Lawson.*) Where is that?—My duties are performed in the neighbourhood of Upper Holloway and Islington and Highgate. I reside at West Green, Tottenham, which is a much cheaper neighbourhood. It costs me about 8*l.* a year for travelling from and to my residence and within the limits of my station. I consider that the latter at least is an expenditure which ought not to come out of my pocket, and which is contrary to the principle laid down by the Playfair Commission with regard to moneys expended in the public service. Our petition goes into that. I do not know that our statement deals with that point particularly. I cannot lay my hand upon it at the present moment, but our petition, a copy of which has been handed in, does deal with it. Then, again, I should like to say one word with regard to the salary upon which I have been existing in London for the last seven years. I began upon a salary of 140*l.* a year. I have a wife and six children. My salary now is 177*l.* 10*s.* 0*d.*

25,198. You could not expect your salary to be increased because you had a wife and six children, could you?—Certainly not; but I want to point out that it is insufficient for our maintenance, because I can assure you most solemnly that since I have been in London I have spent upwards of 200*l.* beyond my salary in the necessary maintenance of my family.

25,199. Because of what?—The expense of living in London.

25,200. The expense of living in the district where you had to live?—Yes; and my case is one of many, it is not at all a single case. (*Mr. Crowe.*) I may say as a second-class officer that my salary would not keep me and does not keep me.

25,201. And yet there are plenty of people who come into the service knowing the prospects before them?—I should never have entered the service if I had known I should only have 50*l.* increase in 13 years. (*Mr. Cunningham.*) You see the prospects changed so.

25,202. I quite understand your point?—Our object is to change that.

25,203. If things had been as they were when you respectively entered the service you would not have been here now?—We should not have had the cause of complaint that we have.

25,204. Not the same cause?—Not the same cause. (*Mr. Crowe.*) That is so. (*Mr. Hunter.*) The promotion, as we pointed out, can never return to the state it was before on account of the number of men above the grade of assistant who have been abolished, and there will not be that same chance again, of course. When I entered the service men were passed up to the supervisorship after between 12 and 13 years' service. That was in 1867.

25,205. (*Chairman.*) I am afraid that is the fortune of war, and that that cannot be altogether met, if it could be met at all, by Government. You do not imagine that when you entered the service you entered a service which was never to be altered in its appointments and the good things at the head of it?—(*Mr. Crowe.*) No. (*Mr. Cunningham.*) No.

25,206. I do not think you put your case quite as high as that, but you put it very fairly.—Seeing that when we entered the service the work of the three grades was practically the same as it is now, and a man progressed from one to another without the long stoppages that have since occurred. Of course, we naturally concluded that that state of things would continue. (*Mr. Crowe.*) Naturally. (*Mr. Cunningham.*) Especially as it had continued for many years prior to our entering the service.

25,207. You expected that the average rate would continue to be what it had been?—Exactly so; it was stated before the Playfair Commission by Mr. Young as five years in the grade I am now in, but at present I am in my eighth year (7¼ years to be exact), and I shall certainly serve nine years before I get a chance. (*Mr. Crowe.*) He said I should be only five in my position. I have been eight years already. (*Mr. Cunningham.*) Mr. Webster's grade ought to have been four, and he has now been upwards of eight. (*Mr. Hunter.*) There was a point about the amount of discontent. I think the officers to a large extent have all of them, as has been explained, a large amount of responsibility. Along with the spirit and beer duty, there are licenses that have to be charged by the officers, and of course a zealous officer looks up every person, and charges him with the proper license duty, and the supervisor, as has been explained, cannot be at the heels of each officer; he cannot see that everything is done.

Mr. H. W. Hunter, Mr. J. G Cunningham, Mr. R. Crowe, and Mr. W. H. Webster.

8 Mar. 1889.

They have now arrived at this point: they consider that they are unfairly treated comparing themselves with other men who do no more important work, and if the reasons are allowed to continue we cannot say that men going about from day to day with those reasons and the power referred to in their hands will continue efficient, and we believe the men at the present time are quite up to their work; but it is thought by a great many men that, if we are to be treated in the future as we have been in the past, a limit will come to the patience of the men, and that they will not be perhaps as zealous as they all ought to be. (*Mr. Crowe.*) I am sure they will not be efficient.

25,208. That is rather in the nature of a threat, is not it?—(*Mr. Hunter.*) No, it is not put in that way.

25,209. It is very much like it?—(*Mr. Hunter.*) I only put it in the way that men who are allowed to go about from day to day with an unredressed grievance, keep thinking of the grievance, and that work that should be attended to may escape their attention, perhaps unwittingly; men think a certain amount about things of this kind. I know from my position in connexion with the agitation how much and how largely men do think of it. (*Mr. Cunningham.*) I should like to put it in this way, if you will allow me, that an officer whose own pecuniary troubles press upon him cannot devote the same attention to the Revenue as an officer might who is free from that pressure.

25,210. I think you state very fairly on page 31 "that discontent most unquestionably tends to a per- "functory performance of work."—(*Mr. Hunter.*) That is the manner in which we wish to put it. We wish to emphasize that point. We say, and I am sure our own chairman would say, that he believes we are an efficient body of men, and of course it would be his wish to keep us like that, and it would be his wish that the service should continue an efficient service, and the service wish to retain the good opinion of all men in high positions.

25,211. (*Mr. Maclure.*) What about the travelling expenses; how is that regulated?—(*Mr. Crowe.*) I was just going to refer to the horse allowance.

25,212. (*Chairman.*) Does the horse allowance refer to travelling expenses? You said that in your case you had neither horse allowance, nor did you altogether use the railways, that you had various ways of travelling about. How is that regulated?—(*Mr. Hunter.*) My travelling allowance is fixed on an estimated number of journeys to the different parts of my district. That was gone into by the inspector's staff in London, and they gave me a lump sum of 55*l.* a year. If it costs more than that I have to pay it out of my own pocket, and if it costs less I gain.

25,213. That is the very point I wanted to get at. Is that allowance of 55*l.* a fairly liberal one, so that it makes up in any way for the deficient amount of salary?—On the contrary; the allowance is cut too fine as a rule; in my own case I think it is, and it is the same in the majority of cases. (*Mr. Crowe.*) I may say that in the case of second-class officers who have to keep horses the allowance given of 40*l.* to provide and keep a horse, of course there is a trap and harness as well, is not sufficient. I have kept a horse for eight years myself, and I can say it is insufficient I do not know of any official, but a Revenue officer, who has to provide and keep a horse upon 40*l.* a year. I have a statement written out upon the matter which I should like to hand in (*handing in document*). (*Mr. Webster.*) I should wish to add a word to what Mr. Crowe has said upon this, that an officer has to purchase his horse and trap himself.

25,214. (*Mr. Maclure.*) That is what I understood him to say, that the 40*l.* was to provide and keep a horse and trap?—(*Mr. Crowe.*) Yes.

25,215. (*Chairman.*) The same as the postman in the district?—And the police inspector and superintendent.

25,216. The postman has to find a horse and cart sometimes for 10*s.* a week, has not he, but then he can make a little money by carrying parcels?—Yes; the officer's allowance is 15*s.* 4*d.* a week. (*Mr. Hunter.*) But a postman and an Inland Revenu officer are in different grades.

25,217. Upon this point of horse keep you say that 40*l.* for the second-class officer is not enough?—(*Mr. Crowe.*) The same with the 55*l.* for the supervisors; we consider that in both cases the allowance is insufficient, but more particularly in the case of the officer. If you will look at the end of the second page of the paper I have just handed in you will find what is granted to the superintendents and inspectors of police. These allowances are fixed by the magistrates at quarter sessions, and, being large ratepayers themselves, they are not very likely to be extravagant, and they are well acquainted as a rule with the cost of keeping horses, but at the same time they give very fair allowances.

25,218. You say that 40*l.* is not sufficient?—It is not sufficient for horses for second-class officers nor is 55*l.* for the supervisor. I say also that some of the second-class stations are so hard that even an ordinary horse will not do. I had to keep two horses, for instance, myself in the winter of 1887–8.

25,219. If you lived in a district where it was possible would you be allowed to go on a bicycle or a tricycle, taking the 40*l.*?—I never asked. (*Mr. Cunningham.*) We might be allowed to use the bicycle or tricycle, but the allowance would be less than that for keeping a horse. (*Mr. Crowe.*) In the winter time I could not do that because the roads would be very bad, and some of my journeys are about 11 miles, or 22 there and back.

25,220. Of course it is not every district where such a thing would be possible?—I knew an officer who asked to be allowed to dispense with the horse, but to receive the 40*l.* as travelling allowance, but the Board would not listen to it; they did not grant it. (*Mr. Hunter.*) The reason that a larger allowance is looked for with the supervisor is that he has a wider area to cover. (*Mr. Crowe.*) And the journeys are longer. (*Mr. Hunter.*) And it would be supposed, as a rule, in the town, that the position he had to keep up is a better one. If he starts out for a day's journey with his horse he has to make more calls than the officer; he has to put up oftener, and all that entails expense. Very few supervisors could possibly keep a horse and pay the incidental expenses connected with the horse-keep of 55*l.* a year. (*Mr. Crowe.*) I think if I have erred at all in the statement I have erred on the side of moderation.

25,221. Then, leaving that point of horse-keep, is there any other point that you wish to urge?—(*Mr. Webster.*) I should like to speak on behalf of the assistants, if I may.

25,222. (*Mr. Lawson.*) Before that, I should like to ask this question: a certain number of your colleagues have left the out-door service and entered the clerical establishment. How many did?—(*Mr. Hunter.*) It is only within the last two or three years, about four years, perhaps, that the privilege has been allowed, and it is only the younger men among the assistants who can leave. (*Mr. Cunningham.*) Men under 30. (*Mr. Hunter.*) You cannot go from the outdoor to the indoor department if your age is over 30, and it is limited to the assistants.

25,223. Under what conditions is it allowed?—They have to pass a kind of qualifying examination to show that they are competent. They are asked a number of questions to see if they have a knowledge of the out-door work that would be useful to them when they go inside; in fact, they have to pass a kind of test examination.

25,224. They then enter the lower division?—Well, it is the lower division now, inside the house, but it is only a limited number who do that. Some of the men prefer to enter our service because they do not like office work, and some of the men who have got dissatisfied with the prospects in front of them perhaps want to go where there is something more certain, but it is not a large number of men who want to go into the office. (*Mr. Crowe.*) They could not all go in, even if they tried.

25,225. (*Chairman.*) Now, about the assistants, if you please, Mr. Webster?—(*Mr. Webster.*) I should like to point out that in the last Commission that inquired into the several services—the Playfair Commission—it was stated that an assistant was promoted in about four years. I wish to speak about the very great retardation of promotion. The assistants do not receive increments of salary, as a rule a great proportion of them do not receive any increments of salary so long as they remain assistants.

25,226. Why is that the case?—The assistants who entered since 1885 receive two triennial increments of 7*l.* 10*s.*, but the others only received a single increment of 5*l.* after six years.

25,227. You do not suggest that those who entered upon the old conditions are to be put upon the new ones, do you?—I suggest that they ought to be allowed an annual increment.

25,228. When they entered the service upon different conditions?—They entered the service understanding that they would receive this promotion in four years. That would have been an increase of 20*l.*

25,229. (*Lord Lingen.*) That was their calculation?—That was an official statement that was given before the Commission of 1874.

25,230. You do not mean to say that when they came into the service they were told officially that they would be promoted after four years?—They were not told so officially. I may say that was the usual term.

25,231. (*Mr. Hanbury.*) You started from a higher minimum than that from which men who have been promoted since 1885 have started from?—We had 10*l.* higher.

25,232. (*Chairman.*) Perhaps you will go on?—In the 10 years after 1874 the average term was 4½ years; there are now 470 of these assistants who have served from five to eight years. It is perfectly certain that many of them will serve from 10 to 12 years, and during that time they will receive only a single increment of 5*l.* What I wish to say is, that if the man is in a department for 10 years he ought to be of more value after 10 years than 5*l.* difference in his salary makes. Then with reference to the triennial increment of 7*l.* 10*s.* given to the juniors, I should also wish to point out that that is the only instance in any rank of the outdoor department of a triennial increment being given; further, that it is only half the increment that is given to the lower division clerk, and it is not quite half of the annual increment which is given to a boy clerk of 15 years of age. An assistant must be 19 years of age. He is employed upon exceedingly responsible work of charging the duty, and I do not think for a moment it can be contended that a boy clerk does more important work; and yet a boy clerk receives twice the amount of annual increment that an assistant does.

25,233. The comparison is not, perhaps, necessary. I do not see that you get much out of it?—I should also wish to speak about the work of the assistants. I have been explaining before that the assistants are employed for first and second class officers during their absence on private business or sick leave. They are not actively employed all the year round. It sometimes happens during the winter months that they are compulsorily idle, sometimes for as long as six or eight weeks at a time. I have a table here showing that many assistants were unemployed, that is, they were compulsorily idle for, in some cases, from 100 to 175 days in the year. My contention is that if a man is employed in the Government, some provision ought to be made for employing him wholly. I believe this Commission have recommended that the whole time of a Government servant should be given to the Government. If that is perfectly fair, and I think that is fair, I think, on behalf of the assistants, if they are not allowed to do anything else, work ought to be provided to employ them entirely, and not that they should be walking about idle waiting for something to turn up for them to be sent to another place.

25,234. (*Mr. Hanbury.*) Are they the same as the officiators, of whom we heard the other day?—Yes.

25,235. That is another name for them?—Yes.

25,236. (*Mr. Lawson.*) What is the average number of hours that an assistant works per day?—(*Mr. Hunter.*) The same as the officers, and that is not less than eight.

(*Mr. Crowe.*) I think when Mr. Hunter said that the average for an officer was eight hours he was a little below the mark, it is at least eight hours.

(*Mr. Cunningham.*) Mr. Hunter is probably remembering the time when he was an officer himself when the hours were not quite so prolonged as they are now.

(*Mr. Crowe.*) I have a note here of an officer who did 59 hours work in an ordinary week.

25,237. (*Chairman.*) Eight hours is the minimum?—Yes.

25,238. (*Mr. Lawson.*) What is the difference between the average of hours now and the average before the beer duty came into force?

(*Mr. Hunter.*) It is quite two hours a day more in the case of the officers.

25,239. (*Chairman.*) Will you proceed, Mr. Webster?—I should like to refer to the matter of the travelling allowances of the assistants, Mr. Crowe has said that a second-class officer receives an allowance of 40*l.* to keep a horse to do the duty of his station. If an assistant is employed on that station he only receives an allowance of 1*s.* a day. I contend that that is not a sufficient allowance. In my own case and that of the senior assistants who receive a fixed salary of 95*l.*, we do not receive any allowance whatever. A second-class officer has a salary of 115*l.* rising to 140*l.*, and in addition he receives either 40*l.* to keep a horse or an allowance, a lump sum of perhaps from 20*l.* to 50*l.* for the purposes of his travelling There are about 300 assistants who are getting a fixed salary of 95*l.*, and if they are employed by a second-class officer, they have to pay their expenses out of their own salary of 95*l.*, I have some instances here.

25,240. Do you mean they have to travel over the same districts as the second-class officer?—They have to do exactly the same work.

25,241. The same districts that second-class officers travel over?—Yes, without having any allowance whatever.

(*Mr. Crowe.*) Only 1*s.* a day.

(*Mr. Webster.*) No, these senior assistants at 95*l.* do not receive a single halfpenny, they have to pay their travelling out of their salaries.

(*Mr. Crowe.*) Yes, that is quite right.

(*Mr. Webster.*) In the case of the Hereford collection an assistant was employed for 212 days in the year in certain stations; his salary was a fixed sum of 95*l.* and he had to pay his travelling expenses out of that 95*l.* I find that the average amount paid to the second-class officers of the Hereford collection was 36*l.* This assistant was employed 212 days and he got nothing.

25,242. Was he employed that number of days because the officer was absent on sick leave?—He was employed by different second-class officers for that time, not in one station, but in different stations.

25,243. (*Lord Lingen.*) Was that case brought before the Board, or before the authorities at Somerset House?—Yes, these cases have been brought before the Board frequently, and they have stated that it is in accordance with the regulations of the department. I should, however, say that the Board have twice directed that these senior assistants are to be employed in the first-class stations as much as possible, but there are about 300 of these officials, and in many collections the number of second-class stations very largely outnumber the first-class, so that it is absolutely impossible that they can be employed entirely in first-class stations. I have about 20 cases in which assistants have been employed for long periods in second-class stations, and they have had to pay their own travelliug expenses out of a sum of 95*l.* I submit that if the officer of the second-class station requires from 20*l.* to 50*l.* to do the work of his station the assistant, who has to do exactly the same work, and who does the work for the officer when he is absent, is equally entitled to the same sum.

25,244. (*Chairman.*) Is it the idea that if there is a horse the assistant should have the use of the horse belonging to the other man?—No, because that horse is the officer's property. We think he ought to be allowed a sufficient allowance to cover his expenses.

25,245. (*Lord Lingen.*) Your statement is this: that if an assistant has to take the place of an officer, the assistant gets no horse or travelling allowance at all?—300 of these assistants do not—the old first-class assistants who receive a salary of 95*l.* do not—the others receive 1*s.* a day.

25,246. For travelling?—For travelling.

25,247. (*Mr. Cleghorn.*) Is it not 2*s.*?—No, that is 2*s.* for every day they are actively employed, and when employed on a second-class station they receive a further 1*s.* per day to cover their travelling expenses.

25,248. (*Lord Lingen.*) I want to be quite clear about this. The assistant who has to take an officer's district, if that assistant is receiving 95*l.* a year, gets nothing for locomotion?—He gets no travelling allowance whatever; if he is in receipt of a fixed salary of 95*l.* he has to pay his expenses out of his salary.

25,249. (*Mr. Maclure.*) What if he has more than 95*l.*?—None of them have more than 95*l.*

25,250. When does he get this shilling?—If he receives 65*l.* then he gets 2*s.* a day, and also receives

Mr. H. W. Hunter, Mr. J. G. Cunningham, Mr. R. Crowe, and Mr. W. H. Webster.

8 Mar. 1889.

the further shilling. There are two kinds of assistants, those who receive a fixed salary of 95*l.* and those who receive a salary, and in addition an officiating allowance of 2*s.* a day; those with a fixed salary of 95*l.* do not receive any allowance at all. Those who receive the officiating allowance receive an additional sum of 1*s.* a day to cover all their travelling expenses.

25,251. But then if you have 95*l.*, when you are taking these extra duties for another man who has a horse, do you have an allowance?—No, we do not.

25,252. (*Lord Lingen.*) Is your application confined to the allowance of 1*s.* a day while the man is in charge of the district?—No, I do not think that that shilling a day is sufficient.

25,253. Therefore your case would take in the other assistants as well as the "ninety-five pounders," as they might be called?—Yes, it does.

25,254. Have the other assistants raised this question, that the 1*s.* a day is not sufficient?—Yes, they have. I might point out that in Ireland many officers who do not keep horses receive as much as 50*l.* because their districts are very wide. An assistant who is employed for that officer has to do the same travelling on an allowance of 1*s.* a day, which is only equal to 18*l.* in the year.

25,255. (*Mr. Hanbury.*) You get 95*l.* a year, but how many days' work in the year do you get as a rule?—I am permanently employed in one station.

(*Mr. Crowe.*) Some of the Irish stations, I am afraid, according to some correspondence I saw recently in the "Field" newspaper, are not properly looked after. Some gentlemen have been crying out because many people had been poaching, and using guns and killing game without licenses, and they complain that there is no officer to look after them. The officer lives 40 or 50 miles away from them, and cannot look after these sort of men at such a distance.

25,256. Are all the men at 95*l.* per annum permanently employed?—(*Mr. Webster.*) No, not all of them.

25,257. What is the average amount of work that they do in the course of the year, do you suppose?—On the average they would be unemployed perhaps 60 days in the year.

25,258. (*Mr. Maclure.*) What licenses have you to look after?—In the station to which I am attached I have to charge the duty on a brewery and all the licenses; all the establishment licenses, the carriages, the male servants, the dogs, and all the retail and wholesale liquor licenses, the auctioneers, the appraisers, the pawnbrokers, hawkers, plate dealers, and refreshment house licenses, patent medicine licenses; there is a long string of licenses, that I could not exactly give you all now.

(*Mr. Cunningham.*) All the Excise licenses.

25,259. I suppose public-house licenses and refreshment-house licenses are looked after by the police, are they not?—(*Mr. Webster.*) No, not that kind of license. These are Revenue licenses, the police have nothing whatever to do with them.

25,260. Have not they to come and get them from you before they can get a license from the magistrate?—No, they have to apply to the magistrates first, and then if the magistrates grant a certificate they produce it to us, and we grant a license to sell the liquor.

25,261. So that you can easily trace it if a man did not take a license out, because you get the list from the local police?—Yes.

25,262. (*Mr. Cleghorn.*) Those licenses are annual?—They are.

25,263. They only occur once a year?—Once a year.

(*Mr. Cunningham.*) With regard to the establishment licenses I should like to say that they require very considerable vigilance upon the part of the officer, because the revenue from them depends very largely upon the officer's own exertions. He has to exercise constant vigilance to see that people pay what they ought to do. I can give an instance of that in my own station.

25,264. (*Chairman.*) We do not want instances of that. That simply is the officer's duty?—It is important that they should perform that duty with zeal.

25,265. (*Mr. Lawson.*) I understand if a question arises respecting the *bonâ fides* of a claim for repayment of duty, it falls to you as supervisor to advise the Board?

(*Mr. Hunter.*) If it arose within my district it would.

25,266. And also with regard to the sufficiency of sureties?—Yes, the sureties have to be for very large amounts. In the case of a bonded warehouse the lowest amount is 3,000*l.* I had a change in sureties at Reigate a short sime ago, and I had to satisfy myself that the gentlemen who gave their names as sureties were worth 3,000*l.* We have very delicate work sometimes to do in connexion with that. We have to wait on the solicitors perhaps of one of those gentlemen to ascertain that he really is possessed of 3,000*l.*, because if I stated the gentleman was worth that much money and anything happened afterwards, and it had to be looked to, and the man was found to be worth nothing at all, the Board would visit me with displeasure for telling them that I believed he was worth the money when he was not.

25,267. In what trade is that?—In connexion with bonded warehouses. In some bonded warehouses sureties have to be given for as high as 20,000*l.*, and the supervisor has to inform the Board whether he believes the sureties are able to meet the amount of money or not.

25,268. And if a loss of duty occurs in your district are you jointly with the officer responsible?—Yes.

25,269. Have you to repay the loss?—If there was a calculation made and the officer made a mistake and I did not find out the mistake, and it had happened to be discovered at Somerset House afterwards, we would be called upon to pay that money in equal proportions.

25,270. In a case of mistake?—Yes.

25,271. But you would not be called upon to pay any loss from the default of a bondsman whom you reported to be good.

(*Mr. Cunningham.*) No.

(*Mr. Hunter.*) If the bondsman was a defaulter and the supervisor had certified him within a very short time, he would be told by the Board that he had not discharged his duty very well, that is if the bondsman became a defaulter within a very short time after.

(*Mr. Crowe.*) We have to inquire into the bonds too for country postmasters, to see that the surety is sufficient, perhaps not in all cases, but generally we have to do it——

(*Mr. Hunter.*) In all cases. To give you an idea of the general knowledge that an officer must possess, in a couple of words, we have to be acquainted with over 100 Acts of Parliament, and we have to be acquainted with over 800 pages of instructions of this nature, and they are constantly changing by different Acts of Parliament and other things, and we have to keep them posted up to date, so as to allow traders every facility that is to be granted by the changes.

(*Mr. Cunningham.*) Would you permit me to say one or two words on the subject of leave? I shall be very brief. We respectfully claim 28 days. We are now allowed 21 days leave in the year. The reasons for that are given on page 26 of our memorandum. Perhaps it would illustrate the case were I to give my own conditions. I am a native of the west of Ireland. It takes me two days to travel to my home, and it also takes two days on the return journey. That is a very considerable deduction from my annual leave of 21 days. Again, the expense incurred in travelling is very serious, so that it is really a very grave consideration to me whether it is worth while to spend so much money for such a short holiday. If I had 28 days it would be better worth my while to make the expenditure.

25,272. (*Chairman.*) The annual allowance you suggest of 21 days for all officials, meaning officers of the superior grade of less than 10 years, and 28 days over 10 years' service?—Quite so. That is my suggestion.

25,273. Instead of being as now 14 and 21?

(*Mr. Hunter.*) The supervisor only at present gets 21 days' leave.

(*Mr. Cunningham.*) It very frequently happens that the officials in this department are employed at places very far away from their native place.

(*Mr. Hunter.*) On the question of leave I should like to say that many of our officers are employed in bonded warehouses. There is one of the bonded warehouse books from Reigate. It is only three years old, but

the back of it is so damp that it has rotted the cover off the book. The officer gets 21 days' leave; if he had a nice dry place in London, he would have more leave —28 days. (*Mr. Crowe.*) And it is to the interest of the warehouse proprietor to keep his warehouse damp, as in that case he will not lose so much spirit by evaporation as he otherwise would. (*Mr. Hunter.*) Now, with reference to the disadvantages that Revenue officers suffer over ordinary Government officials.

25,274. Do you mean owing to not having evenings for other work?—More than that. The nature of the work of the Revenue officials in one way, that is the regular evening's work, and the fact that they are frequently moved about from place to place, so that they are unable from the irregularity of their work to attempt to supplement—we are not allowed by the Board to supplement our incomes by anything from an outside source, and even if we were willing to act as correspondents to newspapers or do any writing work, we have not got time to do it, because our work takes up so much time. We are barred in that way from it, and we suffer under that disadvantage.

25,275. That is a reason why the service should be unpopular, is not it,—that is a reason rather why people should choose some other kind of service?—If we have been in the service for a length of time we have to put up with it.

25,276. Young men know what to expect before they come in?

(*Mr. Webster.*) Not as a rule.

25,277. (*Mr. Lawson.*) What I understand you to say is, that before the beer duty was imposed you had all your evenings to yourselves?—To a large extent we had.

(*Mr. Crowe.*) We had whole months, practically, in the summer of very light work.

(*Mr. Hunter.*) The average evening work of an officer under the malt duty would not average one evening a week, and now some officers are out on the six evenings in the week.

(*Mr. Crowe.*) I am often out till 10 o'clock at night.

(*Mr. Cunningham.*) I should like to refer to the subject of office accommodation mentioned on page 26.

25,278. The allowance for office accommodation?—Yes. The sum of 5*l.* a year, allowed for the use of a room in London or in Manchester, or many of those large towns, I respectfully submit is altogether insufficient for the accommodation which is expected.

25,279. (*Lord Lingen.*) Are you aware that before 1878 nothing was allowed?—I am quite aware of that.

25,280. (*Chairman.*) You say 5*l.* is insufficient in London and large places?—Yes.

25,281. (*Mr. Lawson.*) What sort of a room have you to provide?

(*Mr. Hunter.*) The officer provides it. It is called "the partial use of a room," that is, that he allows the general public who have business to conduct with him, and the supervisor on every occasion of his visit, to use this room. The officers hold that the same accommodation could not be found in the house of an outside person for 5*l.* a year, and I am quite sure it could not be done in my place for 5*l.* a year. For instance, it could not be done at Dorking or East Grinstead. You could not even get an empty room for 5*l.* a year at places like Dorking, or East Grinstead, or Horsham, or Epsom, and yet an officer is forced to give the use of his room for 5*l.* whether he likes it or not. He must give it because he must admit the supervisor to his books and the general public to do business with him.

25,282. (*Chairman.*) What do you suggest is the proper allowance?—That the minimum amount should be made larger if the Board found a necessity, that they should give even 10*l.* for the partial use of a room, or more—that it should bear some proportion to the cost in the locality, and not be limited as it is at present.

25,283. That the Department should find a room so that the officer should not be out of pocket for finding the room, is that what you suggest?—(*Mr. Cunningham.*) It is a room provided in the officer's house for that allowance. Perhaps that is not clearly understood.

25,284. (*Mr. Maclure.*) In cities like Manchester, and in Manchester itself, they do not find the room, do they?—In many cases the officers in Manchester have to allow the use of a room in their houses for official purposes.

25,285. As offices?—(*Mr. Hunter.*) When they are not near revenue offices, in suburban parts of Manchester they do. (*Mr. Cunningham.*) Not in the central portions of Manchester, nor in the central portions of London; but in the suburbs of London, Manchester, and other towns. (*Mr. Hunter.*) The service suggest that the maximum amounts should be larger than 7*l.* and 5*l.*

25,286. (*Chairman.*) Well, gentlemen, I think you have put your case before us. (*Mr. Webster.*) May I be allowed to hand in this statement (*handing in document*). It deals exclusively with the assistants. The other document handed in is the general case.

25,287. (*Lord Lingen.*) Is it in addition to your General Statement Book?—Yes. In the statements which I have just handed in there are several points introduced which are not included in the general statement. The reference to the travelling allowance and the enforced idleness is not included in the general statement.

25,288. Then, must we assume that this comes from yourself, and not from the outside service?—That comes from myself on behalf of the assistants.

25,289. The general statement purports to be an amended statement of the condition of the Excise outdoor services; is that for the whole of it?—For the whole of it; yes. And the statement I have just handed in is on behalf of some 750 assistants.

25,290. Then the general statement is sent for the whole of it?—That is for the whole; but this draws attention to special points which are not dealt with in the general statement. (*Mr. Hunter.*) There is just one point of comparison about the supervisors which I think some supervisors would wish to be brought out, and that is: that a first class clerk in a collector's office receives the same maximum salary as the second class supervisor; but that the collector's clerk does no work of supervision, he acts under the collector, and the supervisor does the work of supervision over six to eight officers, according as it may be. The supervisors consider that that is an anomaly.

25,291. (*Chairman.*) Do they think that the clerk to the collector is paid too much?—No, we do not; we consider that he is not.

25,292. At all events, that the comparison with him is not fair to you?—Yes.

The witness withdrew.

Mr. James Anderson and Mr. Frederick Fisher called and examined.

25,293. (*Chairman.*) Both of you gentlemen represent the second class inspectors of the Inland Revenue?—(*Mr. Anderson.*) Yes.

25,294. You have been good enough to send us a paper which states the case which you desire to bring before the Commission. I daresay you would like to call our attention to some special points, or possibly some additional points?—Yes.

25,295. You are, I believe, inspectors of the second class, and your salaries and so on appear in the Estimates under "Head Quarters," on page 31 of the current Estimates?—Yes.

25,296. You begin at 380*l.*?—Yes, and go on to 400*l.* by 10*l.* a year.

25,297. You attain to your position by working up through the various ranks of the service?—Through all the ranks of the service, from the lowest rank to the rank we are in now by examinations.

25,298. And that applies to the last appointment, that is, you have entered your present class by examination from supervisors?—That is it, exactly.

25,299. And, of course, only when there are vacancies?—Only when there are vacancies.

Mr. J. Anderson and Mr. F. Fisher.

8 Mar. 1889.

25,300. There being naturally a limited number of inspectors?—Yes, 19 inspectors.

25,301. Now kindly state to us in your own way what you would like to say?—I would like to make a few statements with respect to the duties and salaries of our class, and endeavour to show how money could be saved from the present Department, so as to enable us to be paid better than we are at present. I may say that the term Inspector of Excise is a little misleading, as one might infer from it that our duties were confined to Excise only; but this is not the case, for the Excise branch, as it is called, receives and disburses the whole of the Inland Revenue, which comprises Excise, stamps, with a few exceptions, taxes, legacy and succession duty, railway duty, income tax, house duty, land tax, &c. These duties we inspectors collect when we are officiating for collectors of Inland Revenue.

25,302. You do not interfere with the superintending inspectors or the inspectors of taxes, do you?—The superintending inspectors have to scrutinise our work.

25,303. Do I understand that you do work which would apparently, according to the estimates that I have before me, be done by the inspectors of the Chief Inspector's Office of Taxes?—No; we have nothing to do with taxes. We are speaking of the Excise side of the Department only. We receive the money; we collect all the duties of the Excise, taxes and nearly all stamps.

25,304. (*Lord Lingen.*) Do you collect income tax?—We do; we collect the whole of it. We bring the whole to account; and that is why I began by saying that the term Inspector of Excise is apt to mislead, because you might infer that our duties were wholly confined to the Excise Department. That is not really the case, we charge the Excise duties, and the stamp duties, and we collect all the Excise duties, and the stamp duties, and all the taxes, house duty, legacy and succession duty, &c.

25,305. (*Chairman.*) When you say "collect," perhaps you will explain what you mean by collecting?—When we officiate for collectors in the country. There are 75 collectors of Inland Revenue, and those 75 collectors bring in about 55 millions of money in the year, in fact rather more than less.

25,306. (*Lord Lingen.*) Are you speaking now of your function as a Second Class Inspector of Excise or are you travelling into what you may become—a collector?—I am talking of my function as a Second Class Inspector of Excise. My object in making these remarks was to show that our duties were not confined to Excise only. Our place or rank in Somerset House is something like this: After the Commissioners there are two joint secretaries and four assistant secretaries. The officials are then divided into two classes. One is termed the outdoor and the other is termed the indoor department. The outdoor department consists of Inspectors of Excise and of Taxes. The Inspectors of Excise consist of one chief inspector, three superintending inspectors, eight first class inspectors, and 19 second class inspectors. The indoor consist of five committee clerks, six principal clerks, and a number of Upper and Lower Division clerks, and boy clerks; so our position in Somerset House is immediately below that of first class inspectors of Excise. I may draw your attention to the fact that there is a great difference in the salaries.

25,307. (*Chairman.*) Between what?—The minimum of our rank is 380*l.*, and the minimum of the first class inspectors is 550*l.*

25,308. 450*l.* is it not?—I beg your pardon, 550*l.*

25,309. It is 450*l.* in the Estimates?—That is wrong.

25,310. (*Lord Lingen.*) Has it been altered in the course of the last year?—Yes, it has been altered within the last 12 months; they received an increase from the Board of 100*l.* to their minimum salary.

25,311. Is the figure in the estimate simply wrong, or has a change been made since these Estimates were presented?—I expect the change was made since the Estimates were presented. My object in speaking of this was to show the difference between our salaries, because our maximum is 400*l.*, and the maximum of the first class is 650*l.*—a difference of 250*l.* a year.

25,312. You spoke of your natural promotion as being that of becoming the collector. Would not your natural promotion be to become an inspector of the first class?—Yes, it might be. It is not usually the case.

25,313. Then both those chances are open to you?—Yes. It is very seldom that the case you refer to has occurred in practice. They are generally sent out to be collectors first, and then selected from the collectors back into being inspectors of the first class.

25,314. And if you were sent out to be a collector you would become a collector, I suppose, at what your existing salary was, because the third class of collectors are, 450*l.* up to 500*l.*?—Yes, but the existing salary would be 400*l.*

25,315. Therefore your promotion, if you are promoted at all, would be to the second class of collectors, is that it?—To the third class of collectors.

25,316. The third class of the collectors would be no promotion at all?—Yes, it would; it would be an increase from 400*l.* to 450*l.*, the minimum salary of third class collectors.

25,317. (*Chairman.*) Perhaps you will kindly go on?—If you will allow me I will describe the duties which we have as second class inspectors. They may be divided into four divisions, the first division is our duties when at Somerset House, the second division is our duties when officiating for collectors, the third division is our duties on general inspection in the country, and the fourth division is our duties when on special inquiry. To take them separately and explain them a little I will commence with the duties in Somerset House. There we deal with the difficult part of the correspondence received from collectors and supervisors of Inland Revenue and from traders, subject to Excise laws. We write our opinion on the letter, and it is scrutinised by one of the three superintending inspectors; the opinion is then signed by the second class inspector and by the superintending inspector, and it is then taken by one of the committee clerks, if not by the secretary, to the Board. It is then copied by a clerk in the form of a letter and sent to its destination. We also prepare, as necessity may call for them, schemes of business in which the several duties are allotted to each officer, and we give our opinion on complaints against officers.

25,318. Against all officers on matters of discipline?—Yes, on matters of discipline, if there is a complaint against a supervisor or an officer we have to investigate it and give our opinion upon it. The second head was that of our duties when officiating for collectors. When we are officiating for a collector we receive and disburse, with a few exceptions, the whole of the Inland Revenue, which comprises Excise stamps, income tax, land tax, legacy and succession duty, railway duty, &c., and we have to be conversant with all these matters. We have to superintend and control all the officials in the collection, who vary in number from 50 to 60, or more. In some of the larger towns like Glasgow there are more than 100 officials, and the collector of the Inland Revenue there not only collects the money but superintends the work of these officials and inspects their duties.

25,319. If the collector of Glasgow, as you mentioned has got a question affecting the discipline of his office, do I understand you to say that the person that he would deal with at head-quarters first is an inspector of your class?—Yes.

25,320. If he sent a question for decision to the Board with reference to some question of discipline at Glasgow, would it first be submitted to an inspector of your class?—It would be referred to the inspectors either of the first or second class, because we do the same class of work, unless in any case in which it is dealt with by the secretary (Mr. Micks).

25,321. It comes to this, that it would come to the inspectors first?—Yes, as a rule it would come to the inspectors first. The third head of our duties is that of inspection in the country. Our duties are then very various; we get a certain part of the country, perhaps it might be the whole of Ireland, to travel over; two of us go together to all the large places, and we take singly the smaller or less important places afterwards. One takes the north, and the other takes the south, and we travel alone then. Our work chiefly consists in inspecting the work of the various officials, and in visiting distilleries, breweries, and other Excise traders. We see to the security of the Revenue, and we inspect the charging of the duties on foreign and British spirits, wines, tobacco, chicory, dried fruits, tea, coffee, beer duty, railway duty, and all licence and stamp duties. Our fourth head of duties is when we are on special inquiry. That occurs when we have to inquire

and to report respecting the extent of business allotted to some officials in the country; they may wish to re-scheme one of the country collections—it might be the Birmingham collection, and then Birmingham, Chester, and Coventry, and some of the surrounding towns or districts might require re-scheming, and one or two of our inspectors would go down for the purpose, and inquire and report, and re-allot the work of each official. We have to investigate also into the offences against traders when the matter is of great importance. The supervisor, as a rule, makes such investigations, but if there is anything exceptional in the case an inspector is sent. We also inquire into complaints against officers on these occasions.

25,322. You and the other inspectors of the first class are in the relations which you have been describing to us under all those collectors?—Yes, sometimes an inspector of the first class officiates for a collector, sometimes an inspector of the second class; it depends on circumstances. I have told you the duties of the outdoor inspector of Excise, and I would mention now some of the duties of the indoor department.

25,323. Do you mean your own department?—It is the part of the Inland Revenue permanently located at Somerset House.

25,324. (*Lord Lingen.*) Those who remain at headquarters you mean?—Yes.

25,325. (*Chairman.*) Inspectors?—Not inspectors; I refer to committee clerks and principal clerks.

25,326. What have you got to do with them?—Because they have to do with our duties. As I go on it will become apparent to you that they have to do with our work. These gentlemen superintend the registers of letters and deal with certain papers. Each of them has a special class of subjects which, being much the same in most cases, may be considered more or less as routine work. These gentlemen have not had any outdoor practical training, and so, when subjects arise which they are unable to deal with, from want of experience or from precedents afforded by previous cases, the papers are sent to the Inspector's Department; if Excise, to the Excise Inspectors; if taxes, to the Tax Inspectors. The papers are there again registered and given out. Inspectors of the First and Second Class deal with them as already stated; the papers are again registered, and returned to the registrars on their way to the committee clerks or secretaries.

25,327. You stated, on page 5 of your memorandum, which is apparently the same point:—"Important "papers relating to Excise business are dealt with by "the Second Class Inspectors, who are in receipt of "salaries of from 380*l.* to 400*l.* per annum; whereas "routine papers in connexion therewith are dealt with "by officials receiving salaries of from 600*l.* to 800*l.* "per annum." Those are the papers which you are now speaking about?—Yes.

25,328. (*Lord Lingen.*) Would this be the view you want to put before us: that practically the letter which goes out in the name of the Board on a certain important class of questions is drafted in your department, although the ultimate form of it may be drawn by a committee clerk. Is that your case?—Yes, that is part of the contention.

25,329. Also does it go in this way: that the papers are referred to you on inspectors' questions much as, in the same way, on a legal question, they might be referred to the solicitor, and then come back with his memorandum upon them. Do you think your position is analogous to that?—Yes, very much the same, only the indoor gentlemen perform a certain class of work which the inspectors never see, and it is generally of that unimportant class which they can perform by having precedents of the same kind of work before them, and also by the definite directions which may be found in the Board's instructions provided by the Board, and these instructions are prepared by the inspectors. When any difficult question arises the inspectors have to deal with it. What I would like to call your attention to is the difference of the salaries of the inspectors and of the committee clerks in that connexion. You will find that the committee clerk gets 725*l.*, rising by 25*l.* to 800*l.*, and the principal clerk has 600*l.*, rising by 25*l.* to 700*l.*, but the salary of the inspectors, whose papers they copy or carry to the Commissioners, is only 380*l.* to 400*l.*, by 10*l.* a year.

25,330. Which class are you speaking of now?—I am speaking of the second class. These papers, to be properly understood, ought to be before you, because you would grasp the matter better if you had an example of them. I may state that at one time all the secretaries, and indeed all the principal clerks at the head of the Excise Branch of the Inland Revenue Department used to be selected from the outdoor members of the service—used to be selected from the inspectors, then called surveying general examiners, but of late years a great number of these indoor clerks have come in one by one and taken the higher positions. They are taking now all the secretaries posts. The next secretary we expect will probably be one of them. There is one reason for that, that the inspectors seldom come before the Commissioners. We seldom come in contact with the Commissioners, and it is probably owing to that that our services are not more recognised than they are. We think so sometimes. There was a re-organisation of the department in 1887. In September 1887 the indoor department was re-organised, and there were established five committee clerks and six principal clerks. The principal clerks had been in existence before, but the five committee clerks had not. They were quite new. They were then introduced.

25,331. (*Lord Lingen.*) Was that in 1887, do you say?—Yes, in September 1887.

25,332. Because we have got down in the estimates under this year only five committee clerks?—Yes, five committee clerks, and six principal clerks immediately below them.

25,333. (*Chairman.*) There are only five principal clerks in the estimates, but we need not go into that. You are speaking of the secretary's office now?—The number of principal clerks is shown in the book I have here as six. It was understood by the inspectors shortly before this change that some of the inspectors from our rooms would get some of those posts, but such turned out not to be the case; none of us got them. They were filled by men very much younger who had not risen from the ranks, and had not gone through any of the hardships that we had done. I may say that there are now 16 officials between us and the Commissioners, and only one of them, Mr. Micks, the Excise secretary, is a practical man who has passed through all the Excise grades, and whose training and experience make him familiar with all the duties of his position In this connexion I think we might ask if you could have one, if not more, of our superintending inspectors examined on the subject; coming from men of their weight and experience, these remarks would certainly be more telling than coming from inspectors of the second class.

25,334. Your point is, that whereas there are 16 officials in the ranks between yourselves and the Board, there is only one of them, you say, who is a practical man—you are speaking now of the whole of the inspectors?—I am speaking of these indoor men that are between us and the Board.

25,335. Between you and the Board, you say that there are 16 officials?—Yes, between our chief inspector and the Board there are 16 men who have never acquired a practical knowledge of the business.

25,336. (*Lord Lingen.*) Those officials that you speak of as between you and the Board, beginning from the bottom, would be the principal clerks, the committee clerks, the assistant secretaries, and the secretaries; and I understand you say that one only of the secretaries was a man who had the experience of the inspector class?—Yes, that is right.

25,337. Was there ever a time in which the inspectors were more freely promoted to the secretariat?—Yes.

25,338. There was?—Yes, even up to late years the principal secretary and the assistant secretary were always Excise officials. For instance, William Corbett was the principal secretary, and Adam Young was the second secretary. We are of opinion now that, if these posts were filled by practical men, there would be a saving so considerable as not only to enable our salaries to be increased, but that the business generally would be performed with greater efficiency and dispatch.

25,339. Where would the saving of the salaries be? Would you propose to reduce the committee clerks' and principal clerks' salaries to the standard of the second class inspectors?—We would propose a different course. Our alternative proposal would be to re-organize the departments of the secretary and chief inspector, so that the superintending inspectors, in addition to the secretary and the chief inspector, should carry their papers to the Board.

Mr. J. Anderson and Mr. F. Fisher.

8 Mar. 1889.

25,340. Do you think the inspectors, without being increased in number, could do the work that is now done by the committee clerks and principal clerks?—Yes, with additional clerical assistance. We consider that there is no necessity for both the indoor and the outdoor staff of officials. One of the classes we consider is unnecessary at least above the rank of drafting clerk.

25,341. That would be what are called upper division clerks?—Yes; there is a number of them. The out door could well perform the business without the chiefs of the indoor department; but the indoor could not get on without the outdoor. It is stated in the Horsfall Committee Report, paragraph 124, that "surveying-general examiners, now called inspectors, are the great organs of the Board," meaning the machinery by which the business is conducted. We think that the indoor staff should be reduced, and that our three superintending inspectors should take the papers to the Board direct. This would save much time, and the superintending inspector, being well acquainted with the subjects, could quickly and correctly answer any question asked him by the members of the Board. This course would do away with the necessity for committee clerks, and for some copying and drafting clerks, and for some at least of the principal clerks. And in addition to this a considerable saving could in many cases be effected by sending papers to collectors and supervisors to note and return, instead of the present unwieldy system of writing formal replies. You see, if the superintending inspector took the paper after an opinion was placed upon it to the Commissioner himself, and got it approved and initialed, it would be passed then into the register office, and simply a note would be written "Collector to note and return." The paper would go back to the country, be noted by the collector or supervisor (who keep a copy of all these papers) sent back to Somerset House, and put away in the registry as finished. As regards the merits of the work which the committee clerks and the principal clerks perform, in the Assessment Division for instance, the work could nearly all be done efficiently by lower division clerks if the assistant secretaries were practical men. The Assessment Division comprises railway duty, corporation duty, some probate duties, and some assessments. The railway duty is really charged and collected by the excise officials outside, and the corporation duty is so small a sum that it might be well entrusted to the same officers. The corporation duty amounts to 36,000*l.* a year. The next division I would mention is the Repayments Division. The work consists chiefly of repayments of income tax charged and paid on incomes of under 150*l.* a year; and as these claims as a rule are very uniform in character, no special knowledge or judgment is wanted. The other repayments are of a trivial nature, as in the case of a person in error paying carriage license at a wrong rate and wishing the difference to be returned, and are dealt with by the indoor men. Such case might safely be entrusted to the Collector of Inland Revenue. If a person inadvertently takes a license out at 42*s.* instead of at 21*s.* or 15*s.*, the matter has to go before the Board before the difference can be returned, but the Collector of Inland Revenue in the locality is quite responsible enough to be entrusted with a matter of that kind. Then there are repayments of duty on spirits, beer, &c.; but these repayments being really difficult questions, are referred to the inspectors for their opinion. A committee clerk is, in my opinion, not required; if a few trained experts of the Inspectors' Department were in the chief posts, their services might be dispensed with altogether. If any one of our three superintending inspectors were examined on the subject, I have no doubt that the evidence they would give would be of a corroborative nature generally, and it would be also advisable that one of our first-class inspectors should be examined if you could see your way to such a course. I may mention that the salaries that would satisfy us would be these. We think that for our class we ought to get 450*l.* rising to 500*l.* a year by 20*l.* We think that the duties we perform are in comparison with the duties of others, entitled to that amount.

25,342. (*Mr. Cleghorn.*) Instead of 380*l.* rising to 400*l.*?—Rising to 400*l.* by 10*l.*

25,343. (*Chairman.*) Have you made this representation to the Board of Inland Revenue on behalf of the second class inspectors?—This month last year—the 23rd of March we had a joint petition with inspectors of the first class that our position might be improved; they gave the inspectors of the first class 100*l.* a year more to their initial salary, but they did not reply to our letter at all. We applied to them several times since on the subject; sometimes we got a reply and other times we did not get any reply.

25,344. But the Board at present, at all events, have not seen their way to increase the salaries of your class from what it is now—380*l.*, by 10*l.* to 400*l.*?—We do not know; we have had no communication. We had an idea that there might be some hope, but as this Commission was sitting, and the occasion might pass away, and our case might never come up again, we thought it would be very unwise to allow it to pass. We acquainted the Board with this fact.

25,345. Then you have also represented to the Board, have you, the memorandum with reference to this suggested re-organisation of the work, which might result in doing away with some of what you may call the lay clerks?—We have not brought forward that point, but it was suggested to us by one of the secretaries that, if we could show a means by which money would be saved, then that our salaries would be increased. We said that it was not for us to propose any change or anything of the kind. That is the reply that we gave; but now we bring up this as a means which, if carried, we are quite sure would not only make a great saving—I mean a saving, perhaps, of 2,000*l.*, 3,000*l.*, 4,000*l.*, or more, a year—but would also pay our class well—sufficiently well.

25,346. You state on page 5 of this memorandum that on the 23rd of March last you, with the first class inspectors, submitted a joint memorandum to the Board, in which you set out to them the way in which you thought it could be economical to increase your salaries, to re-arrange the work. I want to know if you have had no answer to that beyond the fact that the first class inspectors have been raised the 100*l.*?—No, we have got no answer to that. I might say that one of the things that makes us feel a little dissatisfied is, that in former years our position was reached at a much earlier period of service. For instance, Mr. Johnston, collector of London West, entered the service on the 1st of January 1845, and became an inspector in 1860, which was 15 years after. It takes us now from 28 to 30 years to attain that position.

25,347. I am afraid that is owing to natural causes, is not it, that there are not the upper offices to rise to?—I do not know. There have been a number of things done; for instance, there have been 10 collections lately discontinued. Other matters of that kind have taken place which tend to bring about these results. Then there is Mr. Richards, collector of Birmingham; he entered the service so long ago as the year 1839, and he was an inspector in the year 1856—that was 17 years it took him to reach that point. Then I may mention the case of a Mr. Edgar; he was collector at Ipswich. He entered the service in 1845, became an inspector in 1856. That was 11 years of service, and so on. There are other instances of a similar kind; but the promotion now, you see, has got to be almost twice as slow.

25,348. Your way of improving the position is to raise the salary?—Yes; and besides, it ought to be raised for this reason: that if we are only in the same rank, we have greater experience by having been longer in the service, and there should be some allowance made for that. In other classes of the Civil Service, I believe compensation has been made to men who have had loss of prospects. When we entered the service our prospects were very much better than they appear to be now; it is said amongst us that some of our men will never see collections at all, we may never reach that point. Now make a comparison with the gentlemen of the indoor class, the committee clerks; they reach their positions at from 17 to 21 years' service, and their salaries, you see, are very much greater than ours, 750*l.* a year they are getting now, rising to 800*l.*

25,349. Is there any other point which you would like to add, Mr. Fisher?—(*Mr. Fisher.*) I would wish to speak in regard to the value of the work. Other divisions with which we are more intimately concerned are the offences, correspondence and establishment. The committee and principal clerks of these divisions deal with routine papers, difficult papers being referred to the chief inspector's department. In using the word "routine" work, the work that falls to the committee clerks and the principal clerks when they take the papers to deal with them, those very simple papers, they cannot deal with them if they have no guidance from the submissions that we have previously made

upon papers, or our predecessors may have made, which are noted in a book called the "Digest." These gentlemen refer to the Digest when they take a paper to deal with, sometimes two or three times. A paper was in my hands not very long since, a very simple matter indeed, which could have been by one of the inspectors settled in about six words. The principal clerk wrote on this paper "Query a precedent," and handed it to one of the clerks in his division to look into the Digest. The clerk looked into the Digest, and noted on it, "Not in Digest." He again refers it "Query in old Digest," and after a further search the reply came in, "Not in old Digest." The paper then was sent in to the assistant secretary, and he referred it to the chief inspector. That was six days after it was received in the office. The claim is made for these divisions that have been created that they cause greater rapidity of work. Also I would wish to say that from their imperfect knowledge they send out imperfect instructions, which necessitate a further reference to the Board, when the case is then referred to the chief inspector. I would also like to say with regard to the late re-organisation, it was largely beneficial to the indoor department. There was not a single man in the indoor department but got an increase of salary amongst the higher division clerks; the lowest was 30*l.* a year, the greatest increase was something like 260*l.* to one man. They have had seven additional posts created—highly paid. In the outdoor, the branch we represent, on the contrary, has had 12 collectorates abolished and two inspectorates, and there appears to be a probability of a further decrease. The gross savings that were made by the re-organisation amounted to about 30,000*l.* a year. The total amount of that has been obtained from the outdoor department, including the inspectors. The saving in the indoor department — that is the secretary's office, did not amount to quite 1,600*l.* a year, and that only represents in figures the amount of money represented by the cost of the staff at present, because there are some excise assistants employed in that office which cost is borne on the estimates for the outdoor branch, and certain increase of salaries of late have been granted to the tax surveyors, a sum, I believe, of 3,000*l.* having been taken from the savings in our branch, and handed over to them.

25,350. That is an additional argument in favour of what Mr. Anderson has been telling us, namely, that the proposals which you, as inspectors, made to the Board that the work could be economised by employing your chief inspector in communication with the Board themselves for the work now done by committee clerks, and so forth, has been carried out to some extent?—Yes, but instead of having the register split up into five or six divisions, and the papers going to the committee clerk and the principal clerk, and by him referred to the secretary, who then refers these papers to the chief inspector, use, we say, but one registry as before. The registrar immediately on receiving the papers could refer them at once to the chief inspectors' department to be dealt with. Then the superintending inspector having received the second-class inspector's submission or advice, having countersigned it, could take it direct to the Board himself. A great deal of the committee clerk's time is occupied in conveying the superintending inspector's papers to the Board to get their order upon them. He is unable from his want of technical knowledge to explain the points that arise on these papers to the Board, or to a committee.

25,351. Speaking shortly, you want a closer relation between the inspectors and the Board?—Yes.

25,352. A more direct communication?—Yes, we feel there is a wall raised up between the Board and us—we never see them—very seldom, at any rate. I have only seen the chairman once, when he sent for me to go over to Ireland about the late re-organisation. I re-organised Ireland—he sent for me, and I was with him for half an hour. I saw another of the Commissioners, Lord Iddesleigh, for something like a minute once, and another of the Commissioners, Mr. Osborn, I saw at a meeting for about 20 minutes to half an hour. I never had any personal communication with any of them, except Mr. Robinson, who gave me further instructions about the Irish organisation. We never see them—we are put as a class apart from them. The consequence is we feel we cannot properly state any case, and that if we wish to make a representation to the Board it would have to be filtered.

25,353. The natural person to correspond with the Board is your chief inspector?—Yes, he is the natural person.

25,354. Whether it be or be not desirable that the Board should be in closer personal relations with the inspectors or other officials in their department is perhaps hardly for us to judge, but as far as regards questions of organisation, as I understand, you would suggest to the Board what Mr. Anderson said before, I think, very fairly, that you thought that the inspector's position altogether would be much improved if they did some of the work now done by the secretariat and committee clerks, and if these committee clerks were dispensed with, that so there would be an opportunity of improving your own class?—Quite so, and the amount of work, the amount of registration and everything, could be materially reduced, which we pointed out.

Mr. J. Anderson, and Mr. F. Fisher.

8 Mar. 1889.

25,355. To your application to that effect you have had no answer, although you made it on the 23rd March last?—No answer whatever. After we had sent a copy of the statement to the Board, and informed them that we had been compelled at last to apply to your Commission, I did receive an answer from the Board saying that they had received our letters of the 18th ultimo and previous dates, and that the Board understand the second class inspectors have now sent a statement of their case to the Royal Commission which is sitting on Civil Services, and the Board cannot, of course, forestall the judgment of that body.

25,356. Have you any reason to believe that the Board would take an unfavourable view of your case?—They have shown no very great anxiety to take a favourable view.

25,357. Is there any point that you would like to add. We are very anxious not to omit anything that you wish to put before us. I do not myself see anything in your memorial to which you have not alluded?—(*Mr. Anderson.*) There is one remark that I might call your attention to. It is rather a difficult one to explain, but it shows the position of the committee clerks in the Customs and the committee clerks in the Inland Revenue. In the Inland Revenue the committe clerks appear to be above our superintending inspectors as regards salary.

25,358. (*Mr. Cleghorn.*) They rise to the same maximum?—They are a little above the superintending inspectors. You will notice that the minimum is 725*l.*, instead of 700*l.*; there is the difference.

25,359. But they bothrise to 800*l.*?—They both rise to 800*l.* In the Customs you will find that the committee clerks are 725*l.* to 800*l.*, but the surveyors general are 800*l.* to 1,000*l.* You see in the Customs department the surveyors general, as they are called, performing equivalent duties in the Customs to those in the Excise, go from 800*l.* to 1,000*l.*

25,360. (*Lord Lingen.*) Do not the surveyors general correspond to the chief inspector?—No; they correspond to the superintending inspectors.

25,361. (*Mr. Cleghorn.*) There are only three of them?—And there are only three of our superintending inspectors.

25,362. (*Chairman.*) The position of the committee clerks in the Customs is one more in subordination to the officers corresponding to the chief inspectors in the Inland Revenue than the committee clerks are to the chief inspectors in the Inland Revenue?—Yes; that was the object of my speaking on the point, to point out really the position and the rank.

25,363. The pay is the same of the committee clerks, but in the case of the Customs the officers that you say correspond to your superintending inspectors in the Excise, are higher paid in the Customs than in the Excise?—They are, and that marks the grade.

25,364. Of course, without going into the work done, the comparison is difficult for us to follow?—Exactly, but the money is easily understood.

25,365. But it is a question of what you get for your money. It is a question of duties and of administration which is not so easily understood?—Yes. (*Mr. Fisher.*) We wished very much to bring samples in order to show the papers dealt with by the committee clerks and papers dealt with by us. We applied to the Board for permission to make extracts and produce them before the Commission, and they rejected our application.

25,366. With reference to those papers, let me not misunderstand your position. Is it this: that the committee clerk is too much of a mere go-between or carrier of messages between the Board and the inspectors,

Mr. J. Anderson and Mr. F. Fisher.

8 Mar. 1889.

who are practical men who have risen from the various ranks of the service, and that you think that if there was a system adopted whereby the inspectors generally were brought, by some system of redistribution of work, and by doing away with some of these lay clerks, in closer connexion with the Board, a great deal of the work of unnecessary carrying back and unnecessary reference of papers, might be avoided?—Quite so; and unnecessary passing of the papers through books—through registries.

25,367. That is the point that you took about the register?—Yes, one central register.

25,368. Do I understand you that the system of registration has been altered within the last year or two?—It has been altered in this re-organisation when the committee clerks were created, and altered in such a way that it takes us now, if we want a paper to refer to, sometimes a week in order to get it. Formerly we could get it in a day; instead of making it easier to get papers it makes it more difficult.

25,369. In speaking upon the question of re-organisation and the position of the committee clerks, do you represent more than yourselves?—We represent 18 out of 19.

25,370. And as far as the question of re-organisation is concerned, and with special reference to the point of bringing the practical officers into closer connexion with the Board, have you any reason to say you represent more than second class inspectors?—No, certainly not. But we would ask you earnestly to call one of the superintending inspectors and take his opinion upon the point. There are three superintending inspectors. You could also call one of the first class inspectors, who would be able to give you valuable information upon the subject.

25,371. Is Mr. Molineux the chief inspector?—Mr. Molineux is the chief inspector. The nature of his office is to control us, and in virtue of his position is inimical to our interests.

25,372. (*Lord Lingen.*) You said the prospects were much worse now than when you joined the service. Has the scale of salary of second class inspectors never been improved?—(*Mr. Anderson.*) Yes, it has. But they were called surveying general examiners at that time, and they were in different grades and classes, and it is difficult to draw a comparison—at least it could be done, but not readily. I may mention this, that since the date I entered the service the chief inspector's salary has been raised from 700*l.* or 750*l.* a year—I am not sure which—to 1,000*l.*, but there has been no proportionate increase in the surveying general examiners' salaries. There has been nothing at all of the same class of increase, whereas the prospects are not nearly so good.

25,373. In the examining classes, you say, the examiners are local officers, are not they?—I am not talking of examiners, I am talking of surveying general examiners, a term that has not come lately before you, because it has been abolished some six or seven years ago.

(*Mr. Fisher.*) The present inspectors.

(*Mr. Anderson.*) The inspectors who were called surveying general examiners.

25,374. At this moment, you, as a second class inspector, are receiving a higher salary than you would have received, we will say, ten years ago in the same class, are not you?—I believe so.

25,375. Do you know what the difference between the two was. Do you remember what the minimum and maximum were before the last revision?—There was a different scale of classes. There were surveying general examiners of the third class and second class; and it is difficult to draw a comparison between the classes without having the statistics before you. But they can easily be had; the salaries of ten years ago can be had.

25,376. I did not want the detail. I only wanted a general answer to this question, how far the alteration in the salaries of the second class inspectors would modify your statement that the conditions of the service have been altered for the worse since you joined it, or, to take a later date, since you got into your present position; whether under the old system, if you had got to where you are now, you would have been better off than you are now?—Yes, I should.

25,377. You would?—Because if it had not been for the discontinuance of these collections that we spoke of, I should now have been in a collection, and my salary would have been 450*l.*

25,378. It is a question not so much of your own class as of your being kept so long in it?—We are not paid according to the class of work.

25,379. If you had been made a collector it would not have mattered to you so much what the maximum of your own class was?—No.

25,380. (*Chairman.*) There are not so many places above you as there were?—No.

25,381. Fewer collections?—Yes, and we take longer to get to them.

(*Mr. Fisher.*) With regard to the alteration of salaries of late years, when the re-organisation was made of the outdoor department, the supervisors' salaries were raised to a maximum of 350*l.*, our salaries by the same order were raised from a minimum of 350*l.* to a minimum of 380*l.*, and from a maximum of 380*l.* to a maximum of 400*l.* But although I am receiving an actual benefit of 10*l.* a year from this increase, I am losing at least 50*l.* a year of an increase I could have received from a collection.

25,382. (*Lord Lingen.*) The real gravamen of your class, as I understand it, is that the reduction in the collectorships has stopped your promotion?—Altogether.

25,383. That is where the shoe pinches you, is it not?—Partly.

25,384. Chiefly, we may say, may not we?—No. The third class collectors have several times approached the Board with a view to the amelioration of their position. One of their points is the increment of 10*l.* a year. There is no other class under the Crown receiving a salary of 300*l.* a year, rising by increments of 10*l.* There is a man receiving a salary of 400*l.* a year, and rising by increments of 10*l.* a year.

25,385. That is not a change in the service. It is merely a continuance of what was the state of the service when you entered it, is not it?—Yes.

25,386. The increment was 10*l.*?—The increment was 10*l.*

25,387. Therefore, whatever may be the objections to that, and whatever may be the reasons for making it a higher increment, at any rate that is what it was when you joined?—Yes.

25,388. Therefore it seems to me that your real grievance, if you have a grievance, is this: that the collectorships are fewer, and therefore your promotion is slower. That is the chief part of it?—That is part of it, and the other part of the grievance is this: that we who do skilled work get less pay than the men who do the routine work and get the easy work.

(*Mr. Anderson.*) Yes, that is the contention.

The witnesses withdrew.

Adjourned to Monday next at twelve o'clock.

SEVENTY-FOURTH DAY.

7, Whitehall Place, S.W., Monday, March 11, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.
MR. A. B. FREEMAN-MITFORD, C.B.
MR. J. CLEGHORN.
MR. A. S. HARVEY.
MR. H. L. W. LAWSON, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

MR. FREDERICK BLAKE and MR. WILLIAM LANE GOUGH called and examined.

Mr. F. Blake and Mr. W. L. Gough

11 Mar. 1889.

25,389. (*Chairman.*) You, Mr. Gough, I believe, are the secretary acting for the Surveyors of Taxes?—Yes.

25,390. You, Mr. Blake, are one of the signatories of this paper which you have sent to the Commission, and which we have looked through?—I am.

25,391. Perhaps I had better ask you to kindly lay before us the chief points upon which you desire to make suggestions. I do not think I need ask you to go through your work, because you have set all that out here, and I think we are perfectly familiar with that; but perhaps you will kindly call our attention to those specific points on which you desire to make suggestions?—(*Mr. Blake.*) Yes. Our grievance as to salary has been partially remedied since the statement was sent in, for which the surveyors as a body are very grateful; but they think that the difficulty and delicacy of the work, as performed in the more important districts, have not been fully recognised. As regards the surveyors' clerks, the surveyors are of opinion that such important duties as are performed in surveyors' offices ought not to be entrusted to men engaged on small weekly wages. It is suggested that a clerk should be attached to the important districts, and have some inducement to remain there; say, increasing weekly wages to 40*s.* a week, and after reaching that stage, they should be called upon to pass qualifying examinations, and be allowed to rise, say, to 150*l.* a year, and be permanently established.

25,392. You make a suggestion about boy clerks in your paper?—We have had boy clerks, and we have found them very serviceable; but it must be understood that the surveyors have a junior clerk, as well as the clerk to which I referred.

25,393. (*Lord Lingen.*) You are speaking now of casual clerks independently of lower division clerks?—Precisely. The class that I am speaking of are termed surveyors' private clerks.

25,394. And for them you have an allowance, have you?—We have no allowance, and 30*s.* a week is the maximum our principal private clerk gets.

25,395. (*Chairman.*) You suggest 45*s.* as a maximum?—We suggest that it should go to 40*s.* by weekly increments, and, after that, that they should pass a qualifying examination and go to 150*l.* a year, so as to give them an inducement to stay in our employ.

25,396. (*Lord Lingen.*) Are these clerks considered to be established officers?—No.

25,397. Are they continuously employed?—They are continuously employed, but we are subject to lose them at a week's notice, and we can get rid of them at a week's notice.

25,398. Your proposal then practically would be sure to end in making them established officers?—In the end, if they behaved themselves, of course. (*Mr. Gough.*) Those who proved themselves qualified.

25,399. What is the total number of them, do you think? Does each surveyor employ two, on an average?—All the principal districts have two, and an assistant or a lower division clerk as well.

25,400. Then we shall not be very wrong in considering them as six or seven hundred people, for there are 230 surveyors?—There are 234 surveyors, but the principal districts would not reach to more than 80 or 90, I should say.

25,401. (*Mr. Lawson.*) And you would propose to admit them to the establishment without any examination?—No; after they had reached, say, 2*l.* a week they should pass a qualifying examination to entitle them to further promotion.

25,402. And how long would that take them, on an average?—That would all depend upon the arrangements made by the Board of Inland Revenue as to how the increments would come.

25,403. I only want an average case?—Five or six years at least.

25,404. (*Chairman.*) Have you calculated at all what increase there would be on the present charge, which is something like, in round figures, 20,000*l.* for the clerks. In the sum you have alluded to in your paper you have not calculated that have you?—(*Mr. Blake.*) No, we have not. (*Mr. Gough.*) The object we have in view in making this suggestion is to obviate the difficulty we so frequently experience of a man leaving us at a week's notice, and we are practically thrown on our beam ends, may be for some weeks without a clerk at all, and then we have to take probably a raw hand.

25,405. (*Mr. Lawson.*) Do you mean to say it is not easy enough to get clerks of a sufficient calibre to satisfy your requirements at a very short notice? You say you are left on your beam ends without a clerk?—I think every surveyor has experienced more or less difficulty in getting a suitable man to fill the post at a short notice.

25,406. (*Lord Lingen.*) You see you must be yourself aware that you are coming with a very formidable proposal when you ask that some hundreds of persons who are now retained on temporary wages, dischargable at a moments notice, should be taken on the establishment and should become entitled to pensions.—(*Mr. Blake.*) Not more than one hundred.

25,407. (*Mr. Lawson.*) I should like to realise exactly what these casual clerks do. What is the distinction between their work and the work done by a lower division clerk who is working in the same office?—(*Mr. Gough.*) Private clerks, where lower division clerks are employed, would not have the same confidential work that the lower division clerks would perform. They would have to do copying, sending out returns, and such like things, and to a certain extent corresponding with collectors.

25,408. (*Mr. Harvey.*) Do these clerks know all the assessment to income tax of the various tradesmen in the town?—It is practically impossible to prevent their knowing it.

25,409. As a matter of fact, do they not know in any large town the whole of the returns made to income tax by all the mercantile community in that town?—They must know it.

25,410. (*Chairman.*) You told us just now, I think, that since the sending in of this memorial the salaries have been altered?—(*Mr. Blake.*) Yes.

25,411. Could you tell us what has been done in that direction?—Shall I give you in a few words the present classification of surveyors?

Mr. F. Blake and Mr. W. L. Gough.

11 Mar. 1889.

25,412. Thank you.—The late re-organisation has done away with the duty pay that existed up to the 1st of November last, and the scale now stands thus: We have 11 surveyors of the first section, of the first class, with 500*l.* a year, going to 600*l.* by 20*l.* annually.

25,413. (*Lord Lingen.*) There has been a great alteration as compared with this printed statement, has not there?—Yes, I think the statement as regards the salaries must be reconsidered.

25,414. Because you complain here of being confined to a maximum of 400*l.*?—(*Mr. Gough.*) Service pay, 400*l.*; and duty pay, 200*l.* (*Mr. Blake.*) Then, in the second section of the first class, there are 29 from 500*l.* by 20*l.* a year to 550*l.* Those two sections are called the first class.

25,415. Only 11 of the class of 40 go up to 600*l.* a year?—Quite right. Then, in our second class, we have 45 surveyors beginning at a salary of 425*l.*, rising by 15*l.* per annum to 475*l.* Then we have a third class, which also consists of two sections, the first section numbering 65 from 200*l.* by 12*l.* annual increment to 375*l.*, and the second section of that class, consisting of 84 surveyors, rising from 200*l.* by 12*l.* to 250*l.*, the same increment as the first section. That is our present classification, which has been in existence since the 1st of November last.

25,416. (*Mr. Harvey.*) Then is your commencing salary 200*l.* a year?—Yes, the surveyors commence at that.

25,417. (*Chairman.*) Perhaps you would give us the assistant surveyors now?—I cannot give you the numbers. (*Mr. Gough.*) About 45 in number.

25,418. (*Mr. Harvey.*) What do they begin at?—100*l.* a year to 180*l.*, by 10*l.* annual increment.

25,419. You have accounted for 279 men with the scale that you have given us. They represent the 279 men down in the estimates for 1888–89 as rising from 100*l.* by triennial increments of 37*l.* 10*s.* to 400*l.*?—(*Mr. Blake.*) They represent the same, but the estimates would refer to the state of things before this change.

25,420. (*Lord Lingen.*) The duty pay is merged in this new scale?—Precisely. In addition to that rising to 400*l.* there would be the duty pay.

25,421. (*Mr. Harvey.*) Besides that, there are these four inspectors from 550*l.* to 650*l.*; are they affected?—They are not affected. There are 13 inspectors, I think. (*Mr. Gough.*) The inspectors remain the same.

25,422. (*Chairman.*) What promotion is open to surveyors in the department? What posts do you consider open?—(*Mr. Blake.*) All the posts, from the chief inspector downwards; that is to say, four superintending inspectors and 13 inspectors. The inspectors get 550*l.* to 650*l.*, and superintending inspectors from 700*l.* to 800*l.*

25,423. (*Mr. Lawson.*) The same as before?—The same as before.

25,424. (*Lord Lingen.*) I suppose the chief inspectorship is considered a staff appointment, and not necessarily within the range of promotion, or is it?—The chief inspectors have, during my time, always been selected from the inspectors. (*Mr. Gough.*) The inspectors and the superintending inspectors are both considered to hold staff appointments.

25,425. And the persons above are, one chief inspector and three superintending inspectors?—(*Mr. Blake.*) Four superintending inspectors.

25,426. (*Mr. Harvey.*) They are increased, are they? There is only one in this estimate?—There are four, because we are embraced in Scotland now.

25,427. (*Lord Lingen.*) Then 13 inspectors?—Yes.

25,428. (*Mr. Lawson.*) In all?—Yes, in all.

25,429. (*Chairman.*) Are the collectorships open to your class at all?—No, they are in the Excise Department.

25,430. They are entirely in the Excise, and they are kept entirely to the Excise?—Entirely, we are quite separate.

25,431. I suppose you say that that re-arrangement of salaries has given pretty general satisfaction?—We say that we are very grateful for the re-arrangement, but we do not consider that the Board have realised the delicacy and the difficulty of the duties performed in the more important districts.

25,432. Then in some districts you still think that the salaries are inadequate, as I understand you?—Yes, no doubt.

25,433. (*Mr. Lawson.*) Or is it that you think there is not sufficient difference made between the salaries in the larger and the lesser districts, that the present maximum is high enough, but that there ought to be some distinction made, and that the others ought to be lower?—(*Mr. Gough.*) No, not high enough. (*Mr. Blake.*) We think it is not high enough for the more important districts.

25,434. (*Chairman.*) What are the salaries to which you suggest the highest districts should rise?—(*Mr. Gough.*) 700*l.* at least.

25,435. You are at 600*l.* now?—Yes; that is the highest we rise to as surveyors. (*Mr. Blake.*) In the paragraph on page 8 it is stated on this point, that is with reference to the salaries as well as to that of leave of absence, "Surveyors venture to urge their claim to at least "equality of treatment with the members of the indoor "branches."

25,436. (*Lord Lingen.*) Has that ever been so yet?—(*Mr. Gough.*) I am afraid it has not.

25,437. It was not when you joined the service?—(*Mr. Blake.*) No.

25,438. (*Mr. Lawson.*) What does an equality with the members of the indoor branch mean? It seems to me that the new scale of salaries is rather higher in some respects?—(*Mr. Gough.*) We will take committee clerks in the secretary's office. (*Mr. Blake.*) And principal clerks. (*Mr. Gough.*) We contend that our duties are at least as important as the duties performed by them.

25,439. But there are only five principal clerks and only five committee clerks?—Quite so. (*Mr. Blake.*) We have only 11 out of 234 who get the maximum salaries now. (*Mr. Gough.*) The committee clerks go to 800*l.* a year, the principal clerks to 700*l.*, and we contend that there is a certain analogy between the duties performed by the committee clerks with many of the duties performed by the surveyors. The committee clerks deal with the Board of Inland Revenue, we also have to deal with the Board of Inland Revenue. In addition to that we have to deal with the district commissioners. We have to present our cases to these district commissioners: we have to argue our cases, both as regards the practical and as regards the legal bearings, and, although it is stated in the Act of Parliament that neither solicitor nor barrister shall be allowed to plead before the Commissioners of Income Tax, solicitors and barristers do attend. In addition to having to deal with the Board of Inland Revenue, we have to deal with all these difficulties. Out of nearly 4,800 cases in certain districts for the year 1887 which were dealt with by Commissioners and surveyors, in only 140 of those cases were the appellants required to attend before the Commissioners. The surveyors settled themselves all the remaining cases. (*Mr. Blake.*) The exact figures are 4,788 appeals.

25,440. (*Mr. Harvey.*) What power have you to settle an appeal without reference to the local Income Tax Commissioners?—(*Mr. Gough.*) No legal power. (*Mr. Blake.*) These cases are all submitted to the Commissioners.

25,441. Then you have the assistance of the clerk to the Commissioners, do you not, for legal questions?—(*Mr Gough.*) Yes.

25,442. Is not your position this: that a man says you have over-assessed him. You come and state to the Commissioners the reason why you consider he is not over-assessed, and the Commissioners have the help of their clerk to enable them to determine whether or not the assessment is within the law. I do not see how your claim is based on quasi-judicial functions, as you say in your statement?—A person complains of being over-assessed, he gives the surveyor notice of his objection to the assessment.

25,443. First of all, you do not assess him, do you?—We have to deal with the assessment.

25,444. But you do not make the assessment?—Technically, certainly not.

25,445. Does not the clerk of the local Commissioners make the assessment in every case?—No.

25,446. First of all, you do not make the assessment; as I understand the action of the Income Tax Acts, you are not supposed to make the assessment?—We are not supposed to make the assessment, but practi-

cally, in a great many districts, we do make the assessment.

25,447. (*Lord Lingen.*) Do not you come before this Commission in this position, that quite recently, within the last 12 months, your own Board having very much improved your scale of salary, given you on the whole what would be called a liberal one, and you having had in the shape of promotion 16 tolerably good appointments, you now come before us not at all saying that your own salary is inadequate, but that some other people get a higher salary, and you think you do as important duties as they do. Surely your Board must have had that question before them when, quite so recently as they have done, they settled your new salaries. You are arguing now, you see, not only the adequacy or inadequacy of your own scale, but that some other people, whose duties you say are not superior to your own, are getting more. Your Board have had that before them within the last few weeks. Surely they must have had when they fixed this scale of salary?—(*Mr. Gough.*) I think there can be no doubt that that question was before the Board. I apprehend that the Board, in dealing with it, would have in their minds what they were able to obtain from the Treasury.

25,448. (*Mr. Lawson.*) Is not the line of comparison which would be more applicable perhaps than yours, that between the committee clerks and the principal clerks on the one hand, and the superintending inspectors and the inspectors on the other? They correspond more or less both in salary and in function, do not they?—We contend that that is not so.

25,449. (*Chairman.*) Let me take another point now, please?—(*Mr. Blake.*) Another ground that we consider we have to complain of is that of leave of absence.

25,450. Have you anything further to add to what you say in your paper?—We merely wish to emphasise that in the most important districts no greater opportunity is afforded for relaxation than at the head office; consequently the surveyors of those districts ought to be allowed the same leave of absence. With regard to leave generally, surveyors think that some arrangements should be made for carrying on their duties during their absence.

25,451. (*Mr. Lawson.*) Have you nobody who can take your places?—(*Mr. Gough.*) No one in many instances. (*Mr. Blake.*) In ordinary leave of absence we get no one, and there is the accumulation of work for us to come back to after our relaxation is over.

25,452. (*Chairman.*) That is to say, you have a good amount of work to get through, and you have to arrange it the best way you can?—Precisely.

25,453. And when you take your holiday, you naturally have a heavy amount of arrears to deal with when you come back?—Yes.

25,454. (*Lord Lingen.*) I suppose you are obliged to take your holidays in fragments; can you ever get away 28 days continuously?—I have done so.

25,455. As a rule, can you?—I think not, as a rule. The instructions state we should not be allowed more than 14 days at a time.

25,456. I suppose some parts of the year are slacker than others?—Yes, there are times when we have less work to do than at others; the autumn and going right up to Christmas is our busiest time. (*Mr. Gough.*) Beginning from September. (*Mr. Blake.*) Right up to the 1st of January may be considered our busiest time.

25,457. Can one surveyor give assistance to another during his absence if he is away at a slack time of the year?—(*Mr. Gough.*) That is done.

25,458. (*Mr. Lawson.*) May I ask what the average day's work is at this time of the year?—(*Mr. Blake.*) This would be about the easiest time of the year, about six or seven hours—seven hours perhaps. (*Mr. Gough.*) I can speak for my own office that it is never less.

25,459. (*Mr. Harvey.*) Where are you located?—In the Sixth City District.

25,460. Where is that. What part of the City?—Great Winchester Street.

25,461. You are one of the City surveyors?—One of the six City surveyors.

25,462. Under Mr. Colquhoun or with Mr. Colquhoun?—In the same building with Mr. Colquhoun.

25,463. You are a surveyor, and he is a collector?—No, Mr. Colquhoun is a surveyor, and I am a surveyor. Our standing is practically the same.

25,464. (*Chairman.*) You do not say the 28 days are insufficient leave, do you? You say it does not compare favourably with 42?—(*Mr. Blake.*) We consider we should like 42 better.

25,465. (*Lord Lingen.*) Suppose that an increase were granted you on the 28 days, do you think you could manage that without an addition of numbers?—I am scarcely prepared to answer that. The part of the reply I gave with reference to leave of absence, that the surveyors wish that their duties might be carried on as well in their absence as in their presence, would imply that there must be an increase of surveyors to take charge of these districts.

25,466. (*Mr. Harvey.*) If you could ensure getting your 28 days on end, and continuously, would you be satisfied with 28 days?—(*Mr. Gough.*) May I give you an illustration on that point? I will take the case of the City. There are six surveyors there; they have really no more opportunity of relaxation than what are called the indoor clerks. We contend, if the indoor clerks be entitled to 42 days, we certainly ought to be entitled to the same. Then, with regard to the difficulty that has been mentioned of our duties being carried on during our absence, there are a certain number of surveyors in the City, and I think I can say that one is always ready to help the other or look after his duties during his absence: and as a matter of fact this is done. But in country districts it is practically impossible for one surveyor to perform the duties of another say 40 or 50 miles distant.

25,467. I suppose you would not consider the strain of the country duties so considerable as those of London, would you?—Certainly not, but the difficulty and the hardship of which the country surveyors complain is, that they cannot take their leave, even the leave that they are entitled to, without subjecting themselves on their return to excessive work—piles of correspondence unanswered. They must work almost night and day to get rid of the arrears.

25,468. (*Mr. Lawson.*) Are you located in the City?—(*Mr. Blake.*) No, my office is in Parliament Street, Westminster. I was in the City 11 years, so that I am perfectly conversant with the City work.

25,469. What I wanted to know was, whether you do speak from personal experience as to the nature of the work in rural districts?—(*Mr. Gough.*) Yes, we do. (*Mr. Blake.*) Mr. Gough has only been in London two and a half years. (*Mr. Gough.*) We have both been in country districts before coming up to London, and we have practical experience of the work in country districts as well as in the town districts.

25,470. (*Chairman.*) Have you anything to say upon hours?—(*Mr. Blake.*) I was about to observe that the Board of Inland Revenue issued a circular to the surveyors on the 9th of June 1882, in which they said the surveyors work seven or eight and ten or more hours a days, which is perfectly true. That is in the centre of page 8.

25,471. It is a kind of work which cannot be exactly confined to any named official hour, can it?—Certainly not.

25,472. There are no recognised particular official hours?—Ten to four are the recognised hours. (*Mr. Gough.*) For dealing with the public.

25,473. Six hours?—Six hours; but the state of affairs has been considerably altered since this statement was sent in, in consequence of the abolition of the Playfair system. Our contention on this point was that we were established under the Playfair system, and that it was manifestly the intention of the Commissioners to recognise six hours as an official day's work.

25,474. I am afraid we cannot recognise that. Certainly it was not the intention of the Playfair Commissioners, quite the contrary was the intention of the Playfair Commissioners, The same as with this Commission they regarded seven hours as a proper official day. However, that does not alter the facts, of course, as to what is done?—I think I may say that there is not a surveyor in the kingdom who has not, taking the year through, to work more than seven hours a day.

Mr. F. Blake and Mr. W. L. Gough.

11 Mar. 1889.

25,475. Then what is your suggestion. As I understand now, the hours during which the public can come to consult the surveyors are six?—Yes.

25,476. You are not prepared to suggest that they should be more?—Certainly not.

25,477. What suggestion do you make about it other than that which you have just made with reference to the work?—The object of this paragraph was that if six hours a day were recognised as the official day's work, and surveyors had to work seven hours a day, they should have their salaries increased in the same way as clerks in Somerset House had their salaries increased in consequence of being put upon the seven hours' scale.

25,478. The question of salaries has been dealt with, and I think you may take it probably that the Commission will not be prepared to recommend any increase of these salaries which you have recently had established by your Board. I do not think it is at all likely, therefore you may leave that point. Of course the question of promotion and the other points you name are open to consideration?—Quite so.

25,479. But this scale that you have given us appears to have very much improved your position?—(*Mr. Blake.*) It is very much improved. (*Mr. Gough.*) We admit that.

25,480. I do not think we should be prepared to recommend any advance on this scale of salaries, it is not at all likely that we should entertain the idea. You have spoken of the clerical assistance, and that appears to be dealt with in the statement. I do not exactly see what other points you have got to lay before us?—There are other questions, with regard to parochial ledgers, for instance. We contend, on page 10, that economies might be effected in that direction. At the present time there are about 35,000 accounts kept at Somerset House for England and Wales—duplicates of accounts, of those kept by the surveyors of taxes. We contend, that if the accounts at Somerset House were kept in divisions instead of in parishes, the number of those accounts might be reduced to under 2,500.

25,481. Have you made that suggestion to your board?—Not directly to the Board.

25,482. (*Mr. Cleghorn.*) What do you mean by accounts?—There is an account kept against each parish in the kingdom. So much money is due from each parish under the head of income tax, inhabitated house duty, and land tax. That is entered in the surveyors' ledgers, and also in the ledgers kept at Somerset House. We contend that the keeping of those duplicate ledgers at Somerset House is not necessary.

25,483. (*Mr. Harvey.*) What do you base your ledgers on?—(*Mr. Blake.*) The actual payments by the collectors. (*Mr. Gough.*) On actual payments and accounts issued by ourselves. Pay tickets are issued by ourselves to the collectors to pay in so much money; and it is from these pay tickets that information is sent to Somerset House to enable them to keep their ledgers.

25,484. (*Chairman.*) Your suggestion, Mr. Gough, is that the change you propose would be an economical arrangement, and would in fact set free some money to devote to the improvement of the position of the surveyors?—Clearly so. (*Mr. Blake.*) We calculated that it would save at least 2,500*l.*

25,485. (*Mr. Harvey.*) But you have not represented that to the department at Somerset House, have you?—(*Mr. Gough.*) Not in a direct manner; suggestions have been made by myself unofficially.

25,486. (*Chairman.*) The next point that you mention here, I think, refers to the chief inspector. Of course you do not represent the chief inspector here; but you suggest that he might deal more directly with the Board than through the committee clerk?—Yes, we think that the chief inspector's department should have the entire control of all questions relating to the assessment and collection of income tax; and that no part of this duty should be performed in the secretary's office.

25,487. Is not that rather a subject which should be brought before us by the inspectors themselves, because you represent the surveyors? Have you any reason to know that the inspectors take the same view of it that you do?—I believe they do. It is a practical question, we take it, and we think that we are entitled to express an opinion on the point. (*Mr. Blake.*) We have so much work to do in connexion with it. (*Mr. Gough.*) And we think that the work which is now performed in the secretary's office, by gentlemen who have never been through the practical work of a surveyor's office, would be better performed by those who had begun at the bottom and had gone through the whole routine and work of a surveyor's office.

25,488. Would that point not be met, or rather would it be met by considering that the appointments of those committee clerks were open by promotion to gentlemen who have risen as you have through the service—through surveyors of taxes, inspectors, and so on?—That would meet the case partially; but we still should say that that would not meet the difficulty in its entirety.

25,489. Then you want to get rid of the committee clerks altogether,—some of them at all events?—We want to have the control of the assessing and collecting of the income tax in the hands of practical men.

25,490. (*Lord Lingen.*) Does not the committee clerk represent the decision of the Board? You would not make the chief inspector the ultimate authority. The matter must come to the Board, and must be argued out before the Board, and must be stated to Parliament and to the public. Is not there plenty of duty for the secretary's office in turning the official information to account, and exercising discretion upon it, and expressing the decision of the Board?—Quite so; there are certain questions which we admit must come before the Board; but many questions now which are dealt with nominally in the secretary's office are dealt with actually and practically in the office of the chief inspector. If any difficulty arises the papers are at once referred to the chief inspector, and he really deals with the case and remits it again to the secretary's office; and our contention is that a certain amount of circumlocution would be avoided if those matters were dealt with entirely in the office of the chief inspector.

25,491. (*Mr. Harvey.*) Do you mean to say that the Board should accept the decision of the chief inspector without hearing what the secretary may have to say upon it?—I would say that, certainly, and for the simple reason that the chief inspector is a practical officer who understands not only the law and the theory of the tax, but has had practical experience.

25,492. But assuredly if a man had a grievance against the income tax assessment he would write to the secretary, would not he? He would not write to the chief inspector; he does not know the chief inspector; he would write to Somerset House to the secretary, and say "I am overcharged," or "I have a grievance about this or that point." Does not it almost follow that the secretary of any great department, in order to do his business, must represent the Board through these committee clerks, or whatever the mode may be, so as to check the chief inspector—check the surveyors and look after them?—I apprehend that the chief inspector would check the surveyor. It is not suggested that the chief inspector should communicate with the public, but that all references and reports relating to assessments should be between the chief inspector and surveyor, instead of some being sent, as at present, to the secretary.

25,493. (*Chairman.*) Then the next point you refer to is as to Forms 48, &c. But that appears to have been met according to a note that you have at the bottom of the page; and then you make some suggestions with reference to the reports on schedules?—(*Mr. Blake.*) We might say with reference to Forms 48 that they still have to be sent through the head office in Scotland. If the Scotch Forms 48 were sent from surveyor to surveyor, instead of through the head office, there would be a great saving at the office in Edinburgh.

25,494. All these suggestions are in improved administration?—(*Mr. Gough.*) Clearly so.

25,495. Which gentlemen of your experience are naturally well qualified to make. You think they would tend to economy, and therefore that justifies you in making the application for the improvement of your position; that is what it comes to, is it not?—Precisely. (*Mr. Blake.*) Yes.

25,496. Is it the same case with reports on schedules?—(*Mr. Gough.*) Our contention is, that instead of writing, or rather copying, say hundreds of pages, in some cases of detail, it would be sufficient or should be sufficient to give the total of the seven classes of discharges as now given, that is to say, instead of

giving hundreds of pages put the whole matter into seven lines.

25,497. I am afraid we cannot do more than make that representation to the Board, because it is a point of detail which it is impossible for this Commission to go into?—Quite so.

25,498. The same thing very probably applies to what you say about the Valuation Act and the assessments on public companies?—(*Mr. Blake.*) These suggestions, if carried out, would effect a very large saving.

25,499. (*Mr. Lawson.*) You say that boy clerks in some cases have been found most useful, and it is thought a great number might be employed with advantage. Has anything been done with regard to extending the use of boy clerks at your offices?—I think not—they were sent to us quite young, and the engagement terminates when they reach the age of 19 years—that is just exactly the time when they are very useful, of course.

25,500. (*Mr. Harvey.*) You say it is open to question whether clerks subject to a week's notice should be employed in an office where the work is invariably of a confidential character. Have you any instances of their having betrayed any confidence?—(*Mr. Gough.*) Personally, I have not.

25,501. (*Mr. Lawson.*) Have you heard of any?—Yes, have.

25,502. Do not mention names?—(*Mr. Blake.*) I have heard of cases in Somerset House of clerks of the lower grades.

25,503. (*Mr. Harvey.*) I mean these private clerks to the surveyors?—Never.

Mr. F. Blake and Mr. W. L. Gough.

11 Mar. 1889.

25,504. You say you think you should not have clerks subject to a week's notice doing confidential work. The obvious question upon that is, have you any instance to give us where that confidence has been abused?—I have not. (*Mr. Gough.*) I certainly have none personally. Might I be allowed to give one or two examples of cases which have come under my notice of the action of surveyors to show the importance of surveyors' duties.

25,505. (*Chairman.*) I think you have put it in your case clearly. If you desire to add anything to this paper, I am sure we do not wish to cut you short?—They are simply illustrative examples. Here is a case where an assessment was found at 800*l.*; that assessment was increased to over 5,000*l.*, and arrears of duty of 150*l.* were recovered through the action of the surveyor.

25,506. I think we all know that you look after us very closely. I do not know that there are any other points untouched, you seem to have dealt with all the points raised in your paper very fully?—The statement itself will show the very large increase in the surveyors' duties during recent years. Page 6 shows that the total number of assessments has increased from 7,830,044 to upward of 11,000,000.

25,507. Have you anything more to add?—(*Mr. Blake.*) I think we have not.

(The witnesses withdrew.)

Mr. Thomas Cubbin, Mr. William Symons, Mr. Michael Devereux, called and examined.

25,508. (*Chairman.*) You three gentlemen represent, I believe, the examining officers of both classes in the port of London?—(*Mr. Cubbin.*) Yes.

25,509. You have sent us in a paper containing an exhaustive statement of your case, perhaps you will now shortly call attention to the principal suggestions that you make. I think the first is that your salaries should rise from 110*l.* by 10*l.* to 350*l.*, but that no officer should have a higher salary than 220*l.* unless the requirements in paragraph 4 in your statement were fulfilled; those requirements being on the lines of the report of this Commission. At present that would mean an increase of increment, would it not?—(*Mr. Symons.*) That means an increase of increment for the second class officer, the increment of the first class officer is 10*l.* at present.

25,510. Has there been any reduction in the posts immediately above you?—(*Mr. Cubbin.*) Yes, in 1882 there were 75 surveyors immediately above us, and a reduction has taken place in the meantime, I think of 25, reducing the number now to 50.

25,511. (*Mr. Lawson.*) Is that in consequence of the amalgamation of the outdoor departments of the warehousing branch?—No, it is owing to the amalgamation of the two branches. The number of surveyors was increased by 25 on account of so many gentlemen from the indoor department coming outside; and holding superior posts inside, they received certain posts outside at an equivalent salary. These posts are now quietly being withdrawn, so that 25 increase has been nullified by being reduced to about the original number.

25,512. The second scale of salaries given in the third paragraph of your statement is taken from the estimates of 1888–89, is not it?—Yes. (*Mr. Symons.*) As a matter of fact there are only 53 surveyors at present in the port of London, although the estimates provide for 60.

25,513. When was the reduction made in the number?—(*Mr. Cubbin.*) I think there is an order extant by which it is understood, as we are informed, that the number will ultimately be reduced to 50, so that this reduction is taking place as vacancies occur.

25,514. There are in the estimates 60 surveyors set down, 10 first class, 17 second, and 33 of the third class, but you say only 53 are in existence?—53 at present.

25,515. Have they have been reduced in the meantime?—They have been quietly reduced as surveyors die out or become promoted.

25,516. (*Mr. Harvey.*) Do you mean to say that the appropriation account shows a saving every year on that head?—On the ground that the establishment is represented as likely to cost more than actually it does. (*Mr. Symons.*) The actual number of first class examining officers at present, I believe, is 113; the estimates provide for 120. The actual number of second class examining officers is 387, while the estimates provide for only 302; the actual number of assistant examining officers is only 43, although the estimates provide for 160. We are unable to give any account of the reason for these discrepancies between the actual staff and the estimates submitted to Parliament.

Mr. T. Cubbin, Mr. W. Symons, and Mr. M. Devereux.

25,517. I imagine the fact is that the assistants have been promoted to be second class examiners?—No. (*Mr. Cubbin.*) No, they have not been created yet. (*Mr. Symons.*) The class of assistants has been gradually increasing, and it has only now reached the number of 43.

25,518. But there are 160 in the estimates?—There never have been more than 43 in the port of London, and there are only 43 at the present time.

25,519. (*Chairman.*) Perhaps I had better ask you to mention the particular points by way of explanation of your statement that you would like to bring before the Commission; we do not want the whole thing repeated, because we have looked through it: but if you would call our attention to the specific points we should be obliged?—(*Mr. Cubbin.*) We might say that in 1882, when the amalgamation took place, certain inducements were offered, or rather a certain establishment was created, and several officers or clerks were induced to come outside and accept places in this establishment on the understanding that this establishment would continue. They find that after going outside to learn other duties on the quays and docks, this establishment becomes reduced, so much so that their prospects (which induced them to come out) have been taken away altogether, and they are left now with their existing salaries without any prospect of this establishment, which was created in 1882, being carried out. So they consider that they have a distinct claim of some kind on the ground that if they were induced to come out on a certain understanding, and that arrangement has been made null and void, they have some right to be heard or some increase of salary should be given, or a new classification made to meet the loss of this establishment which actually did exist in 1882.

25,520. (*Lord Lingen.*) Do you mean by the words "come out" the warehouse duty now being dispersed

Mr. T. Cubbin, Mr. W. Symons, and Mr. M. Devereux.

11 Mar. 1889.

compared to its having been concentrated?—Yes; the clerks were formerly principally employed in three large offices, one in the Customs House in Thames Street, one at the London Docks, and one at the West India Docks, and they were employed on purely clerical work. In the amalgamation of 1882 the clerical work or the warehousing work was handed over to the outdoor department and became interchangeable with the outdoor duties. An officer might be employed outside boarding ships or examining goods, and the next week be transferred inside to become a clerk and *vice versâ*. so that it became really one establishment.

25,521. I only wanted to be sure that I was understanding what you meant by the words "come out"?—That is it; that they came out from a purely clerical establishment to be exposed to the outdoor work.

25,522. (*Mr. Lawson.*) Did they come out of the clerical establishment and undertake this work without any previous training?—They did. (*Mr. Devereux.*) Yes. (*Mr. Cubbin.*) Of course they were allowed two months to go round and acquire a knowledge of the duties first.

25,523. In two months did they acquire the whole knowledge that was requisite for the proper performance of the Customs outdoor work?—No; they afterwards got quiet stations to a certain extent, or were assisted in certain ways to learn the duties.

25,524. (*Mr. Harvey.*) Did they do gauging duties at once?—No, they cannot at once do gauging duties.

25,525. How long does it take to learn gauging duties?—These gentlemen were allowed a month to learn the gauging duty, but I venture to say (and that I think they will admit themselves) that six months would be quite little enough to acquire a practical knowledge of gauging alone.

25,526. (*Mr. Lawson.*) Still they had to do it after a month?—Not by themselves. You know there are various technical parts of the work of gauging, and the new man might assist; he might be on a station where he might become an auxiliary as it were in excess of the requirements of the staff, and quietly learn the gauging work. (*Mr. Devereux.*) And perhaps what would appear more unreasonable still, those that belonged to the old outdoor department were called on to do the clerical work of the indoor department when there was this transfer. I, happening to be one of the old outdoor department, got no probation at all for the purpose of enabling me to perform the clerical work.

25,527. You had to go straight to it?—Yes.

25,528. (*Lord Lingen.*) Then your first point would be the reduction of the establishment. As far as I can make it out now there are 10 first class surveyors where there were 15; there are 17 second class where there were 20; and there are 33 third class where there were 40: that would make a total reduction of 15 appointments; is that what you want to bring before us?—(*Mr. Cubbin.*) Yes; and that it is determined that there should be a reduction of 25 of that establishment of 1882; I mean an ultimate reduction of 25; that none of these vacancies shall be filled up.

25,529. (*Chairman.*) Then, if it had not been for the reduction in numbers, you would not have suggested the increase of salary that you now make, in all probability?—In all probability we should not, because the prospect of promotion would have secured to us an increase at some time or other—that has been taken away. (*Mr. Devereux.*) The establishment now is composed of two classes, the old outdoor officers and the clerical, they compose one establishment now. The particular grievances of these officers are somewhat different. The old outdoor men complain that if their original establishment had been left with them, many of them who will never get promotion now to surveyorships would have already been surveyors. Thirty-six vacancies have occurred among the old outdoor men, and only six of the outdoor, I think, have been promoted to these vacancies. The indoor men have a grievance that there was a classification promised them of 75 surveyorships, but that now this is cut down to 50 surveyorships, taking one-third of their chances of promotion away; and every section of the department has grievances in that way owing to the stagnation of promotion—in fact, I myself should expect to have been a first class examining officer in three years hence under the old system. I have made a calculation, and according to the promotion of the last three years, I will be made first class in 75 years hence. That is, I suppose, that I shall never get into the first class under the present conditions.

25,530. (*Mr. Harvey.*) Which class are you in now?—The second.

25,531. One of the 302?—Yes; and under old conditions I should expect naturally to be in the first class three years hence. Under the present conditions, I never expect to get into it. (*Mr. Cubbin.*) I might venture to say on this point that this amalgamation which took place in 1882, although it has secured the co-operation has not secured the good will of the men. What I mean is that the officers are not in favour of this all-round duty—that an officer after 20 or 30 years on the river, rummaging ships, should be put into a clerical office, or *vice versâ* a man being in an office for 20 or 30 years, and then put outside to do all kinds of rough work. They think that where there is a sufficient amount of work of various kinds, that a person is of more value to the Crown—his services are more valuable and he can perform his duties better, if he is kept on one kind of work where there is a sufficiency of it. If there was not a sufficiency of it, then of course utilise the services of the officers as much as possible; but where there is a sufficiency of work we consider, as I have said, that officers become more valuable to the Crown, and their services are worth more and their time more fully occupied, and occupied more beneficially to the revenue and to the country at large, if kept to one kind of work. So that we are in favour, not of the old classification exactly, but of something on the old style of service—that is that there should be special officers for gauging and for landing duty, and that there should be clerks proper who should be fully and thoroughly acquainted with warehousing accounts, and be kept at it, and that the work would then be better done and perhaps more economically performed.

25,532. (*Lord Lingen.*) Then there were two changes, one when there was a great change in the warehousing service?—Yes.

25,533. But you are now speaking of a further change still as between the clerical indoor and the outdoor services of the ports, is that what you are speaking of?—Yes, and that occurred at the time that the great change in the warehousing system took place—concurrently with it. (*Mr. Devereux.*) I could, in support of what Mr. Cubbin has been saying, read an extract that I have here from the evidence of Mr. Dobell, Surveyor-General of the Customs, given before a Commission in 1852. At question 2841 he said, "You will not "reduce the number of officers, but have less efficient "officers in both." We contend that that is what has been done by this amalgamation of 1882. I should think it requires the same number of officers still to perform the work, but necessarily, if they have to perform more duties, they will be less efficient in a greater number of duties than they will be in one.

25,534. (*Chairman.*) Is it the case that the number of officers who perform the work is the same that it was, or has there been in consequence of this amalgamation of the clerical and outdoor work a reduction; are you in a position to state how that is?—I hardly know the facts, because I do not know exactly how many clerical men came out, and how many outdoor men remained. There has been one great grievance in taking out the clerical men in 1882, the older officers of the department were superannuated, and therefore in coming out, so to speak, they brought out no vacancies with them. Young men came out, but the vacancies that would have occurred in any case continued to go on, and the old outdoor department (and there is a certain class of the old outdoor department who think that is a peculiar grievance) think that if these vacancies had occurred under the old conditions, in any case they would have got them. They have occurred and they have never got them, and never can get them now, because such vacancies have to cover a wider area; the vacancies have been spread over a wider area.

25,535. (*Lord Lingen.*) Is not one result of this change to make certain of the better appointments open all round—nobody but a second class clerk would have become a collector under the old system?—(*Mr. Cubbin.*) Yes, that is so.

25,536. And no clerk could have become an inspector under the old system. You have got a benefit have not you? The clerks of the inspectorships, and the

superior outdoor promotions, and the examining officers have got the benefit of the collectorships being open to them; is not that so?—Yes, that is if we can take it for granted that the collectorships are now thrown open to the outdoor department, but on the other hand, speaking from my knowledge of outport clerks, it will be a serious hardship to them. To become a collector in the old days a clerk had to give up his prospects of promotion in a large port, and he had to go to a small port where he was supposed to acquire an acquaintance with the general duties of the service.

25,537. As a clerk?—As a clerk in a large port for the prospect of becoming a collector. Now he finds that after giving many years to that service at these outports, the posts which he looked forward to are going to someone else; so if you give a benefit to one, it becomes a great hardship to men who specially set themselves apart for that line of promotion.

25,538. But he gets the chance of an inspectorship which was not formerly open to him?—Not a clerk.

25,539. In the case of one of these clerks that has "come out," as you speak of it, if he did his general duties well and was thought fit for it, an inspectorship is open to him, is not it?—Yes. The clerks in the warehousing branch who came outside, and became examing officers, have the prospects, but the second class clerks at the outports, who were only eligible for collectorships, have not become part of the outdoor department, they still remain clerks.

25,540. Then they consider that the collectorships are now thrown open to another class than themselves?—To another class than themselves. (*Mr. Symons.*) I should like to say that the clerks who came out in 1882 consider there has been a distinct breach of contract. Many of the clerks had the option of being transferred to other departments, or of accepting the position of examining officer in the new outdoor department. This new outdoor department embraced the three duties which formerly belonged to three separate departments—the gauging department, the landing and water guard department, which were together—one classification—and the warehousing branch of the clerical department. In March 1882, a Treasury Minute was handed round to every clerk, showing the new classification which the Lords of the Treasury had approved. This classification embraced, as we say in our paper, 75 surveyorships. The clerks who were offered this position had to consider whether it would be worth their while to accept this new position of examining officer, or ask to be transferred to other departments. About half of their number determined that the prospects were not good enough, and elected to remain on clerical work, either in the Customs or in other departments. About half the number, of whom I am one, accepted, and within two years they found that the superior appointments were being reduced. The superior appointments have been undergoing continual reduction ever since, and we are unable to see that there is any finality in this reduction. When a surveyorship becomes vacant, as a rule it is not filled up; and now the surveyorships in the short space of less than seven years have been reduced from 75 to 53. We do not feel any assurance that the numbers will not finally be reduced to nil, and that our prospects will not be absolutely swept away. It has always been considered that there has been a certain security in a Government appointment; but we in the Customs do not feel any sense of security whatever. That is of course merely a personal question looking at it from our point of view.

25,541. (*Chairman.*) I do not quite see where the breach of contract is?—We should not have accepted if a less favourable classification had been offered to us.

25,542. (*Mr. Harvey.*) But there was no agreement that a particular classification, which was the best classification at the time, should be kept up in the future, was there?—(*Mr. Cubbin.*) No, there was no distinct understanding that the classification would remain for any number of years.

25,543. (*Chairman.*) There is no doubt that the gentlemen in your position may have had an expectation that the number of surveyorships, or the number of upper posts to which you might reasonably look, would remain the same, but you cannot surely maintain, nor can any Government official maintain, that he had a vested right to have the same number of higher offices kept always for him as long as he is in the Government service?—No, speaking for myself, I know we had not. (*Mr. Devereux.*) We admit that by inserting paragraph 4 as an alternative; we do not dispute that they have a right to reduce.

25,544. You do not state it in your paper, but Mr. Symons was stating it practically when he said to us there was a breach of contract?—I may admit that it is necessary to reduce these, which would, however, injure us; and we would submit, as an alternative, that a certain classification carrying higher salaries with it, would, to a certain extent, compensate us for the reductions that were necessary in the higher branch, and that was this classification submitted in paragraph 4; because we think it is very hard that if we arrive at the maximum of our class before there is a vacancy in another class, we must stop there through no fault of our own. To obviate that we suggest this paragraph, so that when we come to the maximum of our class, if our character would entitle us under the other conditions to go on, that we would go on to a certain maximum under this new classification.

25,545. You suggest a service scale, not waiting for vacancies?—Yes, not waiting for vacancies.

25,546. Have you calculated at all what the additiona cost of that would be?—I should think it would not be an additional cost at all, as compared with the classification of 1882. But if you continue cutting down all the superior appointments and give no compensation, that would necessarily be a saving to the country.

25,547. (*Lord Lingen.*) Your point, as I understand it, is this, that you would not have made this proposal of carrying on from 220*l.* to 350*l.* if the old scale of the establishment had remained?—Yes, that is so.

25,548. But that your chances of promotion are made a great deal worse by these 15 reductions in the surveyorships—(I am giving no opinion; I am only just seeing that I have got clearly what you have put)—and you think that you ought to have some equivalent for that, which would be given by carrying you on to 350*l.* instead of going simply to the 220*l.*, and being stopped there, that is your point?—That is just exactly it. (*Mr. Cubbin.*) I may say in connexion with that point that we quite admit that there can be no definite finality about our classification, and are quite in accord with any spirit of change whether it be for the purpose of economy, for better administration, or whatever purpose. At the same time after spending 15 or 20 or 30 years upon a certain classification, given the best part of one's life in acquiring a knowledge which is of no marketable value outside of our service, to find at the end of that time that this classification is swept away from us, leaves us in a very hard position. We have nothing to look forward to; we have been waiting for years to reach a certain goal; all at once we find a change effected, we cannot transfer ourselves into the public market because the knowledge which we have acquired is of no marketable value; we cannot tell it to another, there is no other bidder for the service, consequently we look for some *quid pro quo* for this classification which has been taken from us.

25,549. (*Chairman.*) I am sure you state your case very fairly?—(*Mr. Symons.*) I should like to say that I perfectly agree with Mr. Devereux and Mr. Cubbin, but I still adhere to what I said with reference to a breach of contract, but I hold if this paragraph 4 were adopted by the Commission, it would really be a sufficient compensation for this practical breach of contract.

25,550. (*Mr. Lawson.*) What you suggest is that the annual increment of 7*l.* 10*s.* should be raised to 10*l.*, is not it?—Yes. (*Mr. Cubbin.*) I think all that is in accordance with the Playfair Commission.

25,551. (*Mr Leghorn.*) And that the officer should go on to 350*l.*?—Yes. I think the Playfair Commission met the difficulty which at that time existed. There were three classes of examining officers, and they reduced the number to two.

25,552. (*Mr. Lawson.*) As I understand, you do not suggest that all should go to 350*l.*; you suggest that they should go to 220*l.* for the second class, and that the maximum of the first class should be raised to 350*l.*?—Yes. (*Mr. Devereux.*) We think that a report should be made from the superiors, and the result of that would entitle officers, other conditions being fulfilled, to go on.

25,553. As in the case of the recommendations of this Commission in respect to second class clerks?—(*Mr. Cubbin.*) Yes.

Mr. T. Cubbin, Mr. W. Symons, and Mr. M. Devereux.

11 Mar. 1869.

25,554. (*Mr. Harvey.*) That is to say, when you get 220*l.*, if there is no vacancy and there is a satisfactory report, you are to go on to 350*l.*?—(*Mr. Devereux.*) Yes.

25,555. (*Lord Lingen.*) You would yourselves be content, I presume, also to confine that to gentlemen who came out on the offer of these terms; that need not be extended to future entrants?—No.

25,556. Your case is personal to yourselves?—(*Mr. Cabbin.*) Yes. (*Mr. Devereux.*) We hold that the State has a right to make any bargain it likes with candidates entering the service, but having come in under certain conditions, we do not maintain even that these are to hold for ever, but we think that if it is necessary to do away with any conditions under which we came in, some compensation ought to be given to us for the loss of expectations.

25,557. (*Chairman.*) Perhaps you would kindly let us get on to another point now: we need not speak of details, as I think your case is very clearly stated and that we understand it?—(*Mr. Symons.*) I should like to say something with referenee to the interchange of duties, if I might be permitted.

25,558. Is that what you referred to just now?—It was briefly referred to just now. Some reference was made to the inconvenience of asking clerks whose whole training had been in an office to perform gauging duties. I have suffered personally from this inconvenience to a certain extent. Most of my official service has been given in connexion with keeping accounts, but a little more than 12 months ago I came out upon gauging duty, and I have been performing gauging duty ever since. At present I am employed in a laboratory; but I must say that, although I have been more than 12 months engaged in gauging duty, I have yet much to learn, and probably two or three years' experience would be necessary before any officer could become a thoroughly competent gauger capable of undertaking all the duties. The same objection would apply to transferring men who have been employed upon waterguard duty perhaps for 20 or 30 years to clerical duty. The difficulty of transferring a young man from one duty to another if he has an ordinary amount of intelligence is not so great as when a man who has been employed for a considerable number of years upon one duty is suddenly transferred to another. In the clerical department most of the work is checked. At first it was laid down that the surveyors would check the work of the examining officers, but since 1882 the surveyors have to a great extent been relieved of this work, and the checking is now largely done by first class examining officers. They sign "*pro* surveyor." It is nominally supposed to be done by the surveyors, but it is really done by first class examining officers.

25,559. (*Lord Lingen.*) What do you mean by checking; seeing that the casting of accounts is right, that sort of thing?—Seeing that goods are properly entered and delivered in the books; that quantities are correctly estimated and duties assessed and paid; that casks and packages are correctly written off and brought to account in the ledger; and that the accounts are properly kept.

25,560. Was that done by first class clerks formerly?—By higher division clerks formerly.

25,561. And now it is done by ——?—First class examining officers very largely, although the surveyor is nominally supposed to be responsible. There are numerous instances in our service at the present time of men who have been employed upon gauging or waterguard duties having been brought into an office, and they have been expected to check the accounts of second class examining officers without having had the necessary experience which would enable them to check accurately; it is not the fault of the officers it is really the fault of the system.

25,562. (*Chairman.*) The system of changing those duties is not one that you say suits you or suits others in your position; and therefore it cannot be good for the service generally?—I do not think it suits the service. I think if the Commission were to examine some of the registers in our offices at the present time they would find the accounts are not very satisfactorily kept.

25,563. (*Lord Lingen.*) Was the object aimed at in this change that it would be convenient for the officers to be interchangeable; was that the notion?—I do not think that was the notion.

25,564. What was it?—I think the notion was that it would be economical to have a man who was capable of performing any of the duties and capable of being transferred from one duty to another, so that if he were at a small station—say at an outport—he might perform gauging duty, outdoor duty, and keep accounts at the same time. It might produce economy in small warehouses, but it certainly does not tend to economy in London. (*Mr. Cubbin.*) As far as I am a judge, I should like to put that point like this: at small ports where there is not sufficient work of a specific kind to employ one officer, it is right that that officer should do all the general work of the port; and I think he is quite capable of doing it; but where there are certain branches like the larger ports, London, Liverpool, and Bristol, at these places, where there is a certain amount of special work, it would be more economically and more efficiently performed by having separate officers performing that work.

25,565. But at these large ports, I suppose, the work does practically sort itself, does not it, and a man remains a clerk or he remains an examining officer, although theoretically he is interchangeable. (*Mr. Devereux.*) It is quite the opposite to that in practice.

25,566. The opposite?—Yes, without qualification, it is quite the opposite to that.

25,567. (*Mr. Harvey.*) Do you mean to say a man is doing outdoor work one day and indoor work the next day?—He may be. I should say there are perhaps more indoor men or former clerks doing outdoor work than indoor work, and a large proportion of the outdoor men are now doing clerical work: that is the way that things have assorted themselves now.

25,568. Do we understand that you all agree that in the larger ports the distinction between outdoor work and clerical work should be maintained right through the officers' career?—I do not know that we care so much as officers; but we do think that it would be economical to the State, and to some extent it would benefit us also, because it is a hardship some times to go from one duty to another. Several of us have got colds when transferred from a close office to do gauging on the quay on a cold day. I have been in an office or in a vault for the last year where the temperature was never to my knowledge less than 54 degrees. On the 7th January I went to the Rum Quay in the West India Dock, where last Monday week the temperature was six degrees under freezing point—26 degrees of temperature; that is hard upon a person to be transferred from one place to another frequently, and we think—I do not wish to lay stress upon it, that it is much injury to us—that it would be beneficial to the State not to have that transfer. It cannot be economical for us to be transferred in that way; it is like compelling a tailor to make his own shoes.

25,569. You think there is a division of labour in the larger ports which might fairly be carried out?—(*Mr. Cubbin.*) We think so.

25,570. (*Mr. Lawson.*) Might be restored?—At the same time, I should like it to be understood that the officers do not consider that they are not qualified to do or to perform the various duties; they simply look at it that the work could be more efficiently and economically done as they suggest.

25,571. I should like to know whether you attach great importance to this complaint of yours in regard to hours of labour?—(*Mr. Symons.*) Yes.

25,572. Your average day throughout the year you say, when employed on gauging, clerical and landing duties, is 7⅔ hours?—(*Mr. Devereux.*) Yes.

25,573. Have you now to complain of the 12 consecutive hours of which mention was made before the Horsfall Committee?—We personally have not—not one of the three here—but we represent officers who have to complain of it.

25,574. (*Chairman.*) Are they the waterguard?—Yes, all those employed on what they call rummaging duties.

25,575. (*Mr. Lawson.*) But you yourselves have not to complain of the length of the day?—Not at the present time, but we may be transferred at any day to these particular duties. (*Mr. Symons.*) We see no reason why clerical work in the Customs should extend over more hours per day, than clerical work in other departments of the State. We believe the work is quite as severe, in fact we are inclined to think it is more

severe than clerical work in other departments, and as the Commission have recommended that the clerical work in all departments of the State should extend over seven hours per day, we should be very glad if that recommendation were also applied to clerical work in connexion with the outdoor department of the Customs. It might involve a slight increase of staff; but as I have said the hours of clerical work at present average 7¾ hours per day.

25,576. The waterguard will speak for themselves, so I do not suppose we need ask you about the night and Sunday visits to the dock; but in 1886 I recollect a representation being made to me that the offices in which you had to work were in a very unsanitary state and were most unsatisfactory from every point of view; has there been no improvement since that time?—There has been a considerable improvement.

25,577. Would you say now that the unsatisfactory state of the accommodation in the offices still exists and that they are unfit for occupation?—Many are in existence; but there has been a great improvement. The worst of the offices which were brought under your notice, then, I think have been abolished since; that is because there has been centralization of the tea accounts. The tea accounts are now kept in the Custom House instead of at the warehouses as formerly. There was a separate tea department for the whole of London proper down to 1882; then the tea accounts were transferred to the various warehouses; but recently the tea accounts have been transferred back to the Custom House again—not entirely but to a very large extent.

25,578. Have you still to work in many cases underground without sufficient air or light as you complained that you had to then?—Yes. (*Mr. Devereux.*) I can speak from personal experience. In the beginning of last year I was working in a vault two floors under the ground. There was no ventilation except what could be got down by the gangway as you went down into the vault. There was a watercloset in the centre of this vault with 23 men attending it, and on several occasions there was no water for it. I got an ulcerated sore throat and lips, and two doctors told me that it was from the bad smell, and what would have given me that would have given me typhoid fever. I recollect several cases were brought before me at that time. I might say it could easily be mended; certainly the closet could have been mended.

25,579. (*Lord Lingen.*) Does that state of things go on now. I mean is that particular place unaltered?—That particular place is in existence now.

25,580. (*Chairman.*) That is a simple point of administration I think?—Yes. I should say the two points on which we feel most aggrieved are the stagnation of promotion and the hours. (*Mr. Symonds.*) We might if you would allow us put in a memorial with reference to the proposed increase of our hours of labour that we presented to the Lords Commissioners of the Treasury recently. This was signed by 728 officers of the port of London. It was forwarded to the Treasury because we had reason to believe that the hours of labour of officers employed upon landing and shipping duties would be increased. Their hours at present are when employed upon free goods from 6 a.m. to 6 p.m., when employed upon dutiable goods from 8 a.m. to 4 p.m., for eight months of the year, and 9 a.m. to 4 p.m., for four months of the year. I may remark that the officers think it is scarcely fair that when employed upon the landing of free goods they should be liable to attend for 12 hours a day, and when employed upon the landing of dutiable goods their hours should be seven or eight. Of course it does not matter to them what duty they are employed upon, and they think eight hours should be the maximum in any case, but the Commissioners of Customs recently issued an order in the port of Liverpool.

25,581. We are going to have some of your officers from Liverpool, so I think perhaps you need not go into that?—This was the reason why we made the submission. The hours were extended in Liverpool from 6 a.m. to 6 p.m., for all duties, and the Secretary to the Board of Customs wrote to the Secretary of the Hull Chamber of Commerce, stating that the hours for the landing and shipping of goods would also be extended in all the other ports of the United Kingdom. At first it was intended to make officers work the extra hours without any compensation whatever; but we took steps to bring it under the notice of the House of Commons; questions were asked and the Financial Secretary to the Treasury then stated that officers could not be compelled to work more hours per day than they had been accustomed to, and that is practically the reply of the Lords Commissioners of the Treasury to our memorial.

25,582. Then practically you have no grievance?—Yes, we have a grievance.

25,583. What is the grievance?—If we are compelled to attend eight hours, say from 6 a.m. to 2 p.m., we shall be in a different position altogether than in giving the eight hours to which we have been accustomed from 8 a.m. to 4 p.m. We cannot live near our stations. There is not a proper train service in the early morning, and it would necessitate getting up in the depth of winter at 4 or half-past 4 in the morning, thus altering our social arrangements and the conditions under which we had formerly given service.

25,584. How is the convenience of the trader and the public met without somebody being at a little inconvenience in getting up in the hours of the night?—(*Mr. Cubbin.*) That arrangement is met now by a system of overtime payments. That if an officer gives more than eight consecutive hours, the wharfinger or shipowner pays the officer, and our Board has recognised that by laying down orders regulating the amount per hour which the different grades of officers are to receive.

25,585. Then it is the change that you object to from that system—as long as that system obtained, it was not that that you objected to?—We do not object to that, but at the same time we do not make overtime a point with us. We do not want overtime in that sense. We would prefer to have simply eight hours per day, and let anyone else take the overtime or make what arrangements the Crown could. We do not ask for overtime, we simply want a fixed day of so many hours. We have been giving that, I have, for upwards of 20 years now—from 8 to 4 or 9 to 4 in the winter on clerical work or on landing duty; and to alter those hours and perhaps have us give 16 hours one day or 20 consecutive hours, and then two or three or four hours another day is such an arrangement that it would upset a great deal of our social arrangements. Moreover, we have to live at suburban stations now, and in that case we would have to come inside as near as we could to a certain station, and I might be one six months at the Albert Docks, and the next six months I might be at London Bridge, eight miles intervening between my stations, so that it would be very difficult to keep moving my household according to the change of stations that I might have in the port of London.

25,586. (*Mr. Harvey.*) How do you propose to meet the requirements of the merchants?—Our proposal to meet the requirements of the merchant is: that this order is simply to give relief for four hours at the most per day to the shipowner by letting him work his ship from 6 in the morning to 6 in the evening without any charge for overtime. The overtime charges will remain before 6 a.m. and after 6 p.m., so the relief contemplated is only for four hours per day. The question with us is that that relief, if given, should not be at the expense of the officer.

25,587. (*Chairman.*) That he should not be in a worse position under that new regulation than he has been under the old?—Just so. That he should not bear the burden, that our own Board should make its arrangements. If they are going to relieve one party are they going to relieve it at the expense of the Revenue or the State, or is it at the expense of the officer? We complain that it is scarcely fair to put the whole of the burden upon us.

25,588. (*Lord Lingen.*) If the officer has to be on duty at 6 o'clock in the morning, then he is discharged at 2; is that so?—That is to be the new arrangement.

25,589. But then, I suppose, he would have somebody else come on to duty and take his place; is that so?—That is what we are informed will be the case. A system of relays, if possible.

25,590. Then, supposing that it was so organised, I presume they would not always keep the same man, or intend keeping the same man, getting up at 6 o'clock in the morning and leaving off at 2; but there would be an interchange of the easiest and harder services between the men from time to time; is that contemplated?—I expect the present arrangement of six months on a station of that kind would still be adhered to. We have a system of six months at these stations where these hours exist at

Mr. T. Cubbin, Mr. W. Symons, and Mr. M. Devereux.

11 Mar. 1889.

present, but we contend that a relay of officers must be more expensive than the system even of the Crown paying overtime for the two or three or four hours at the most which would be necessary every day. To keep a relay of officers we think would be more costly than the Crown at once taking over the burden of paying two or three hours' overtime.

25,591. (*Mr. Harvey.*) I do not quite catch then, what is the gravamen of your grievance. You do not mind getting up at the early hours of the morning for the requirements of the service, but you want to be paid for it as overtime, is that it?—Yes. We are in the habit of now giving eight hours' service per day—from 8 in the morning—and if I am put on a station where I must attend at 6 in the morning, two hours before my time, arrangements are now made by which the persons requiring my attendance pay me for overtime and conveyance for attending those two hours. Under this new system it is proposed that I should give the two hours earlier in the day myself; and, if the exigencies of the service permit, that I should go away two hours earlier in the day to compensate me for the two hours earlier in the morning. We hold that if it is necessary for an officer to be on the station to do this work, to relieve him by sending another officer is more costly than by paying him for two hours when employed.

25,592. (*Lord Lingen.*) Is it not assumed that the two hours from 6 to 8 are more valuable to the merchants for unloading than two hours from 2 to 4?—No, but it suits his case; ships come in, of course, according to the tides, the wharves, the docks, according to the weather, and they may have been entered outwards to sail on fixed dates, and if any untoward event occurs the ship is bound, perhaps, to work all night—night and day—the discharge would be continued throughout the day and night, and the officers now on certain stations have to give that attendance. An officer has to come at 6 in the morning and remain till midnight, and to compensate him for this extra attendance the shipowner pays the cost of the extra attendance.

25,593. Under the old system?—That is the present system.

25,594. In present circumstances, your hours being from 8 till 4, if you had been summoned at 6 o'clock in the morning you would have got extra pay for those two hours?—Yes.

25,595. But your day would have been a day of 10 hours?—(*Mr. Devereux.*) Yes.

25,596. But now your grievance is, at least your complaint is, that these two hours from 6 to 8 are much more than a mere part of the day's work—they are given especially in winter time, at a time that imposes considerable hardship, and interferes with your domestic arrangements, that is your point, is not it?—Yes; the grievance is, first it would imply that we should have to get up about 4 o'clock in the morning.

25,597. Yes, I know all that, but I want to know whether that is your actual point—that eight hours from 8 to 4 are a very different thing from eight hours from 6 to 2?—(*Mr. Cubbin.*) That is the point. (*Mr. Symons.*) That is set forth in our prayer to the Lords Commissioners of the Treasury. (*Mr. Cubbin.*) I think that is the whole of our case on that eight hours question; that eight hours from 8 to 4 which we have given is not so valuable as eight hours if we have to give them from 4 in the morning to 12 or from 6 to 2, or from 4 in the evening to 12 at night,—at whatever time it might be,—in fact, that these hours become more valuable according to the early part of the day or the lateness at which they are performed.

25,598. (*Mr. Harvey.*) And therefore you should have overtime allowance?—No, we do not ask for overtime. We would prefer simply to have a fixed day of eight hours. I should, and I think the other officers would, prefer to have it and let the overtime go. We simply ask for a fixed day if it is possible, and then if it is not possible, we say, if the Board wishes us to stay longer, it is easier and simpler to pay the overtime than to get a relay of officers.

25,599. (*Mr. Lawson.*) You say that in spite of the recommendation of the Playfair Commission, practically officers are debarred from rising to collectorships. What I want to ask you upon that is this, has there been any instance where one of your body has been promoted to that office?—There has been one instance, and that within a very recent date.

25,600. When?—Last month.

25,601. Where?—To the collectorship at Dundee; an officer from the Port of London was appointed to be collector at Dundee. (*Mr. Symons.*) I think there is another instance where an examining officer became examining officer and clerk at another port. He had also had experience as a clerk. He was ultimately appointed collector.

25,602. (*Lord Lingen.*) I think you must bear this in mind, that your point is that you are now required to come at hours that are new to you, but you know there are other services—the Post Office pre-eminently, and the police, again—in which people are not allowed to measure their week by daylight and darkness, as it were?—(*Mr. Symons.*) Just so. (*Mr. Devereux.*) We do not object to that. Where we consider it is necessary, such as on the rummaging duty, we never object to doing it there, because it is necessary for officers to attend through the night; but here, in the matter of the shipping, if it is to be admitted that we come on at 6 o'clock we will have to breakfast out, which will entail greater expense upon us than it does at the present time, and greater difficulties. At the present time we are not allowed any time for meals in the eight hours. Of course, we take some meals, but officially it is not recognised that we should have any time for meals. Now, if they institute this other system, I think it would be very unreasonable not to allow us some time for breakfast. This will entail a lot of expense upon people who have not large salaries, and will further bring us into contact with dock officials, and perhaps labourers, and everybody else, and the houses that surround the docks are not very desirable houses to breakfast in, and I think it will demoralise the service altogether. This question has been considered by Commissions in 1832, 1842, and 1852—exhaustively in 1852—and spoken about in 1862.

25,603. Has not the Customs some sort of canteen of its own, has it nothing of the sort?—Nothing whatever, and it has always been decided against it, although on one occasion a commission sat for the special purpose of extending the hours. Lord Granville Somerset was chairman, and he said, "We must "remark that this would necessitate nearly 13 hours "official attendance"—giving the 10 hours would necessitate 13—"taking the time of travelling there, "and the getting home, and few things, in our "opinion, would tend more to demoralise the character "of the officer than to constitute a system which "would give him the habit of frequenting public-"houses." The tone of the evidence was all in that direction. Both the Treasury and the Board decided against it then, but our Board seems to think that they can carry out what has been exhaustively discussed on these occasions and decided against.

25,604. I do not remember in my time the question being brought before the Treasury of anything like the provision of a dining-room on behalf of the Customs, has it been raised lately?—We never had anything like that. (*Mr. Symons.*) There used to be a sort of dining-room in the Custom House, but I think those who kept it did not find it pay, and it was discontinued.

25,605. Then practically the men now bring their food with them?—(*Mr. Devereux.*) Yes, and wait till we go home to dine. I usually take a cold luncheon with me, and wait to go home to dine after 4 o'clock.

25,606. (*Chairman.*) I think we understand that point, is there any other?—The hours, as they exist, I wish to bring before you, are so irregular, one officer occupying the same position as another officer at the present time in the docks, landing from a ship or supervising the tallying into a craft—these two officers will be of the same grade occupied side by side—one by the anomalous regulations that exist at the present time will be supposed to give 12 hours' attendance and receive no extra remuneration, the other eight hours, simply because of the different qualities of the goods being acted upon. There are several qualifications that nobody is able to comprehend. I have seen a report which was made in last November. I do not know whether the Board called for it or not; but the report was made by one inspector relative to this different practice of charging overtime in some instances and not in others. This was referred to another inspector, and the two reports, I might say, directly contradicted each other, so that there are two chiefs of the Department who cannot at the present time interpret the orders of the service upon this question of hours; and I do not believe there is anybody that can thoroughly

understand it. As a substitute for that we would beg your Commission to recommend that our hours, whatever they be, should be fixed and determined so that each officer would know exactly what he was to do. Sometimes we have to work 12 or 8 hours according to the interpretation of a superior. We think that that is very unsatisfactory, and that our hours should be fixed.

25,607. You mean that one day you yourself might be called upon to work 12 hours, and another day 8?—Not only that one day, but suppose Mr. Symons and I, holding the same grade, were in the same dock, and employed upon two different ships, one of which was landing on what is called "perfect entry," and the other was landing on "captain's imperfect entry" one of us would receive overtime before the hour of 8 a.m. and after the hour of 4 p.m., and the other would receive no overtime from 6 to 6.

25,608. That I understand to be your suggestion, that examining officers should in no case be employed for more than eight hours without additional remuneration?—That is it.

25,609. Is there any practical difficulty—do you see, as a reasonable man, any difficulty in that—you know the exigencies of the service?—Why should there be distinctions made because of a perfect entry or imperfect entry, or anything like that? The officers have got nothing to do with that; what they look to is to perform the duties they are called upon efficiently, and to work a certain number of hours. Why should the working of these hours depend upon a thing over which we have no control, whether the goods are entered up or whether they are not? I do not think it is compatible with the public service to have such irregularities as that.

25,610. Is it the idea that the one kind of work demands closer attention than the other?—(*Mr. Symons.*) No. (*Mr. Cubbin.*) No. (*Mr. Devereux.*) There may be that idea, and perhaps as a penalty on the merchant for not having his goods entered up, the Board think that they have a right to charge him in the one case, and they have no right to charge him in the other; but I do not see how that ought to affect the officer. I think in dealing with the merchants the Board ought to some extent leave the officers out of the question, and deal with the merchants in some other way than bringing the officer in. (*Mr. Cubbin.*) I should like briefly to enumerate the three points in the examining officer's duties, I could do it in a few moments. Not that I wish to magnify the work of the officers in the least, or to detract from the work done by our superior officers. The three particular branches of work I should like to enumerate are these:—First, the water-guard officers are employed to rummage all ships from foreign ports, so that the protection of the revenue in the first instance falls upon them. The second is the examination of all free goods, which the examining officer is called upon to pass through his hands, or to see that these goods, which are entered as free, are free, so that the protection of the revenue again falls within his control. The third is that the examination of all baggage and of all goods that can be brought in baggage is performed by the examining officer. So that the three main inlets by which the revenue might be defrauded are completely controlled and guarded by the examining officer; and, holding that position, we simply ask (at least, I take it to be the plea of our position in this statement) that when the classification and the inducements which were held out, and under which we have worked for so long and for so many years, are taken away, our case should be considered, and that we should have some standing and some prospects still before us. I do not wish to detract whatever from the work of our superior officers, or to say that we do it solely, but we are simply there in that position. That is my case as regards our position, and I trust—indeed I have no doubt whatever—that it will be truly recognised.

25,611. I think you have stated your case very fairly—is there anything more?—(*Mr. Devereux.*) There is one point, I think it was in 1876, that a change in the emoluments of the examining officer was made. Prior to that, examining officers had higher salaries in London than at the out-ports.

25,612. In 1876, do you say?—I think it was the year 1876; I will not be definite, but it was about that time. The superior positions were also more numerous comparatively than at out-ports; these positions were reserved for London officers only. Now the salaries of second class examining officers in London and at out-ports are equal, and promotion to the superior vacancies in London is frequently made from the out-ports. This has placed London officers at such a disadvantage that numerous applications have been and are being made by London second class examining officers for transference to the out-ports. The Board cannot see their way to grant them. We therefore would most earnestly beg your Commission to recommend some compensation to officers in London for the extra time and expense spent in travelling, and for the enhanced rents they pay for dwelling-houses in London. Some dispute that dwelling-houses are dearer in London, but they cannot dispute that we incur from 6*l.* to 7*l.* a year travelling expenses, which are not necessary at out-ports. Our labours, I think, are more onerous, and I am certain that on the whole we deserve some consideration, more especially as we evinced a desire to go to the out-ports, and it was supposed that the officers who came into London would have a prior claim, because when we passed the competitive examination London was always put at the head of the list, and the officer who takes the highest place was allowed to go to London. Now having gone to London they find that the position is reversed, that it is more desirable to go to an out-port. We cannot go there, and we think, being compelled to remain in London, that we ought to have either higher salaries or some allowance for travelling expenses. (*Mr. Symons.*) I have a copy of a petition which was submitted to the Commissioners of Her Majesty's Customs, which was signed by nearly all the officers in the department, asking that they might be pleased to grant travelling allowances. I should like to leave a copy of this petition, and the reply, and also a copy of the petition to the Treasury with reference to the proposed increase in the hours of labour, and the reply of the Treasury, as well as a copy of a printed statement on the same subject sent by us to members of Parliament (*handing in the same*). (*Mr. Devereux.*) There is one short point, and I will tell you what it relates to. We think that in all probability this Commission will recommend an amalgamation with the Excise. We do not know, we think so. If so, we do not object to it, but we think that perhaps our case would not be sufficiently understood, considering that there has been an abolition of 25 surveyorships, as pointed out to you, and that we now stand in an adverse position. Therefore we hold inferior positions now, many of us to what we ought to hold if the old system had gone on. Accordingly, if transferred to the Excise, we think that some consideration ought to be given to those officers who ought to have attained higher positions than those that they now occupy; because some of these suffered severely from the amalgamation of 1882, and we think it would be very hard that in another amalgamation they should suffer again.

25,613. In fact, your experience of this amalgamation has not been such as to lead you particularly to desire another one and a larger one?—Not at all.

25,614. Upon that point you do not express any opinion, but you say if there is an amalgamation suggested this Commission ought to bear in mind your particular case, and take care that your interests are looked after?—Of course we would be likely to be transferred upon the status we now occupy. I think that would be unfair to many officers in the Customs, because they occupy an inferior position to that which they ought to occupy if promotion had gone on in the natural course. Further, that if there is an amalgamation it should be a real one, that the officers must be interchangeable, because we fear that many of us would be kept in the warehouses at the ports; and the large warehouses at the ports are far more unhealthy than the warehouses in the country places. If we are to be made Excise officers, we second class men, at least, do not fear it, but we think that we ought to be made thoroughly interchangeable—that we take the duties in the country places and everywhere else of Excise officers, and let them take the duties at the wharves and quays and badly-ventilated warehouses in London.

25,615. That you mutually should take the rough and the smooth together?—Yes. (*Mr. Cubbin.*) Might I say a word about the out-port examining officer? I was one for many years at the smaller ports, and know what the work is. When I was at an out-port I held five distinct commissions or appointments. My first was as Examining Officer of Customs, my second was Quarantine Officer, my third was Deputy Receiver

Mr. T. Cubbin, Mr. W. Symons, and Mr. M. Devereux.

11 Mar. 1889.

of Wreck; the fourth, Deputy Superintendent of Mercantile Marine; and the fifth was an appointment by the Board of Trade to make inquiries into casualties at sea, such as wrecks and loss of that kind. Reference has been made in the statement submitted by our own Board, and published in the appendix to your second report, enumerating the different duties performed by officers at the out-ports. I can speak and testify to the fact, having performed them for seven or eight years or more, and to the varied and valuable services which those officers render; and I think that there should be some recognition of the work done by these examining officers, that they should have the same chance of promotion, the same chance of preferment, all through the kingdom. I know for many years that they had not the same; they were not treated in the same way, and many of them were left at these little places for a lifetime, and I should like that whatever change does take place the officers of the service, no matter where they are situated, should be dealt with on the same basis, fairly, and treated alike.

25,616. As far as possible the whole service should be treated homogeneously in the matter of promotions, and equal chances given to everybody?—Yes, treated as one.

The witnesses withdrew.

Mr. Daniel Moloney and Mr. Thomas Augustus Webb called and examined.

Mr D. Moloney and Mr. T. A. Webb.

25,617. (*Chairman.*) You and Mr. Webb represent the outdoor officers of the Customs?—(*Mr. Moloney.*) Yes.

25,618. Not only, I believe, in London, but at most of the outports?—Partly so; at the outports with the exception of Liverpool.

25,619. With the exception, perhaps I may say, of those ports that have sent in separate memorials to us?—Yes.

25,620. I must ask you to put before us the points upon which you lay most stress; take it in your own way, remembering that you have set your case very fully before us already?—We do not wish to over-elaborate our case, so long as we have explained to you the points which we wish to lay clearly before you. We will take the acting examining officer first. (*Mr. Webb.*) We refer now to page 6 of our paper. (*Mr. Moloney.*) I might say with reference to this case that the acting examining officer forms one of the greatest grievances that we have as outdoor officers.

25,621. One of the greatest grievances?—Yes; not alone in London, but with a number of the outports that we have been in communication with. They are at one on this question, that the acting system ought to be abolished, as it deprives us of the actual amount of what we ought to receive in consideration of the labours that we discharge. We are doing the duties of examining officers when we are employed as acting, and we do not receive the emoluments that are attached to the examining officers' position. There are 70 acting men in London alone, and as such they get 1*s.* per day, or at the rate of 2*d.* per hour, which is not to exceed 1*s.* per day if so employed.

25,622. (*Mr. Harvey.*) Will you tell me where in the Estimates provision is made for that?—I cannot point out clearly to you in what part of the Estimates this charge is embodied. It comes under the class of special remuneration.

25,623. (*Chairman.*) Is it "special allowance" to outdoor officers acting as second class officers"?—(*Mr. Webb.*) No, this is acting examining officer.

25,624. (*Lord Lingen.*) An acting examining officer is a man to whom 2*d.* an hour not exceeding 1*s.* per day is paid?—For doing superior duty?

25,625. For doing examiner's duty?—Yes, exactly.

25,626. (*Chairman.*) Then what is your special point with reference to the position of the acting examining officers, or rather their employment?—(*Mr. Moloney.*) Our point is this, that by the employment of outdoor officers in the capacity of examining officers the positions are not filled up that ought to be filled up, and the 1*s.* extra per day is paid to outdoor officers for doing this duty to which the minimum salary attached as examining officers is 110*l.* per annum with a 7*l.* 10*s.* annual increment following on to 220*l.* (*Mr. Webb.*) Of course it cannot be done away with entirely; what we complain of is making it a regular system.

25,627. (*Mr. Freeman-Mitford.*) Do you mean instead of promoting?—Yes, exactly. At Goole there is one man who has been continuously acting for 10 years; he has been doing superior officers' duty for 10 years, and another man for nine years continuously.

25,628. There being vacancies amongst the permanent officers' places?—If those two men are doing superior duty they are simply filling up what should be superior appointments.

25,629. (*Chairman.*) Your complaint is that the superior duties, which should be done by assistant examining officers or examining officers of the first and second class, are done to too large an extent by acting examining officers who are outdoor officers receiving 2*d.* an hour, not to exceed 1*s.* per day for the work?—That is it exactly.

25,630. And that instead of that arrangement there ought to be promotion, or rather, I ought to say, more assistant examining officers and examining officers?—Yes.

25,631. (*Lord Lingen.*) Is not that grievance to a certain extent met by the creation of the assistant examining officer, on a scale from 100*l.* by 3*l.* a year to 150*l.*?—No, because these acting men still are existing.

25,632. Are they existing in the same proportion as they were before the creation of that class?—(*Mr. Moloney.*) They are and still more so.

25,633. How can that be? Here are 160 assistant examining officers; that class has been filled up by somebody, I suppose, has not it?—Yes; these should be, properly speaking, second class examining officers.

25,634. Then now we are coming to another point. You contend that these assistant examining officers are still not sufficiently paid; is that it?—(*Mr. Webb.*) No; that there are not sufficient of them.

25,635. (*Mr. Freeman-Mitford.*) Then you want the creation of new posts, in fact; is that it?—(*Mr. Moloney.*) No; we want existing posts filled up, corresponding with the responsibilities and the nature of the duties that are performed.

25,636. Existing vacancies filled up?—(*Mr. Webb.*) For instance, if there are two men acting as they are at Goole continuously, acting every day doing superior duty, I think that shows that there are two vacancies that want filling up.

25,637. (*Mr. Cleghorn.*) You mean that some of these, called outdoor officers should be called assistant examining officers?—Assistant or second class examining officers.

25,638. (*Lord Lingen.*) There are at present 160 of them. The state of matters is now this: a second class outdoor officer begins at 55*l.*, and by 30*s.* goes up to 80*l.*; then the first class go up from 85*l.* to 100*l.* Until quite recently the next step in the chain was an examining officer at 110*l.* to 220*l.*, but now you have got a class created, I believe; is not it the assistant examining officer?—(*Mr. Moloney.*) Created in 1886.

25,639. Who gets from 100*l.* by 3*l.* to 150*l.* That is very much better than the man who only can get 1*s.* a day for being examining officer, not above 15*l.* or 16*l.* a year, leaving sundries out?—(*Mr. Webb.*) Yes, but still there are not enough of the assistants.

25,640. That is the point we come to, that 160 assistants only are not enough, and that class ought to be increased?—Either that or the second class examining officer. I should explain that assistant examining officers cannot do all the work of a second class examining officer. There are certain properly defined duties that they may do, but an acting man, so far as I know, can do any duty of a second class examining officer.

25,641. (*Chairman.*) Can you give us at all the number of men who are now acting in the capacity of outdoor officers?—In London about 70. At various

outports it is different. For instance, at Bristol out of 18 officers I believe 13 of them are acting?—(*Mr. Moloney*) 13 are not paid. There are 18 acting men in Bristol and 13 are not paid anything for doing the duty.

25,642. (*Mr. Freeman-Mitford.*) To go back to what you said just now, it is obvious that according to you there is an insufficiency of higher posts. There are not vacancies in the existing higher posts, but you want more higher posts created, is not that it?—(*Mr. Webb.*) Yes, so as to do away with the acting system as a continuous system.

25,643. You said just now there were vacancies because two men were doing the duty; but there are not vacancies as a matter of fact. You wish that it should involve vacancies?—(*Mr. Moloney.*) I wish to point this out: that in 1883 and up to the year 1885 we had no such post at all as assistant. The examining officer's duties were confined to the first class and second class examining officers, with a salary varying from 110*l.* up to 300*l.* In 1885 a new class was created, called an assistant class, as we have shown in our statement, with limited powers, and those powers were gradually extended until now there is a saving clause in a recent Board's Order, which states that they may be employed temporarily in any duties for which they may be fitted. That means to say, they may be employed as long as the honourable Board wish to retain them. In London alone we have over 70 acting examining officers. I am an acting officer and have been for 4½ years, one of those men who are getting 2*d.* an hour. I was employed 4½ years ago and since then I have been employed about two-thirds of each year, for about eight months out of every year.

25,644. (*Mr. Freeman-Mitford.*) As acting?—As acting in the capacity of examining officer in all the duties.

25,645. Then does not the fact that you were only employed during eight months of the year as acting, show that there was not a permanent necessity for the post?—(*Mr. Webb.*) In his case alone, but then there are other men who are employed continuously. (*Mr. Moloney.*) In London alone there are 70 of us, and we contend that an average of half that number would put in a whole year's service as examining officer.

25,646. (*Mr. Harvey.*) Seventy continuously employed all day long in acting examining officer's duties—do you mean that?—Not altogether through the year—at stated intervals through the year.

25,647. (*Mr. Cleghorn.*) You said you thought about the half of them might be considered as required all the year round?—Yes, I said, that an average of the number of half of them would complete a whole year's service, that is to say: that there ought to be 35 more appointments to the higher grades made in London, to the assistants or second class examining officers. (*Mr. Webb.*) And 35 less acting appointments. (*Mr. Moloney.*) We are not altogether wedded to the assistantships, as we consider they did not exist when some of us entered the service.

25,648. (*Chairman.*) That is your principal point, is it not?—That is the leading point—we consider that that is a great grievance, not alone at this port, but at every other port.

25,649. Will you go on to some other point?—I will not enlarge further on that, seeing that there are a great many who were acting who are doing this superior duty without receiving any emolument whatsoever, not alone in London, but in the outports they are getting nothing whatsoever more than an outdoor officer's salary for discharging all the responsible duties of an examining officer—temporarily, I will admit.

25,650. (*Mr. Freeman-Mitford.*) Not for any great length of time, I suppose?—No, temporarily.

25,651. (*Chairman.*) Now we will take another point, if you please?—(*Mr. Webb.*) I have an instance here of an officer in Belfast who has been continuously acting since October 1886, without any extra remuneration at all.

(*Lord Lingen.*) We have got pretty well before us the case of the acting examining officers.

25,652. (*Chairman.*) You say that is your most important point?—(*Mr. Moloney.*) Yes.

25,653. Now will you be kind enough to take us to another point?—The next point that we wish to call attention to is the annual increment received by outdoor officers. (*Mr. Webb.*) Page four of our paper.

25,654. Was the present scale of annual increment established after the inquiry of Mr. Horsfall's Committee?—Yes.

25,655. What is the suggestion that you now make?—The suggestion we make is that at the present time those who entered the service at the lower rates—55*l.* per annum—are receiving 30*s.* as annual increment; and those who entered the service at 70*l.* a year are receiving, while they are in the second class until they reach 85*l.*, 20*s.*; after that they receive 30*s.* What we propose is this, that classification altogether be abolished, that there should be no such thing as first and second class within the department; and that the annual increment be increased to 3*l.*

25,656. (*Lord Lingen.*) You know the abolition of classification means advance without regard to merit. I think there must be some limit to that principle?—In our service there is no distinction whatsoever made, and the duty is discharged between one class and the other. A second class outdoor officer has to do the same duty that a first class outdoor officer has, and there is no examination or anything else required in passing from one grade to the other.

25,657. (*Mr. Harvey.*) Does a waterman pass into the outdoor officers' second class as a matter of course?—No.

25,658. Does a second class outdoor officer pass into the first class as a matter of course?—Yes. (*Mr. Webb.*) Provided his character is right. (*Mr. Moloney.*) But then there are barriers and classification between first and second class, and notwithstanding how good an officer's character may be the road is stopped, and there is no promotion until such time as there is a vacancy in the first class, according to the classification of it.

25,659. (*Chairman.*) There must be a vacancy in the first class?—There must be a vacancy. (*Mr. Webb.*) There is another point I would like to bring before you. Some little time ago a copyist at Cowes was appointed directly to a first class outdoor officership. He had never been an outdoor officer before, he was simply a copyist, and he was immediately made a first class outdoor officer. Of course, the officers considered that a grievance.

25,660. That is some special case that I think we can hardly deal with, there must have been some special reasons for that. Why do you quote it now?—We do not know whether it would be used as a precedent for other copyists to be served in the same way, because, of course, as outdoor officers pretty nearly the only thing we have to look forward to is being put in the first class while it exists, and when a copyist, who is quite an outsider is brought in, we reckon that it is loss of promotion for one man.

25,661. (*Lord Lingen.*) The outdoor officers come in by competition, I think?—Yes.

25,662. You said something about the increment, the 30*s.*, did you wish to make any suggestion about that?—(*Mr. Moloney.*) We wish to enlarge it to 3*l.* Have a 3*l.* increment and classification abolished, as we consider that at that rate it will even take 16 or 17 years' service for an officer before he reaches 100*l.* (*Mr. Webb.*) Fifteen years.

25,663. Is the promotion entirely a seniority one from the second class to the first?—Not entirely now, it was until quite recently, but within the last year or 18 months or so, two if not three officers that we know of have been placed over the heads of their seniors on account of special service I believe. (*Mr. Moloney.*) I might enlarge upon that point by saying that this special promotion to the first class in our service in the case alluded to has caused a great deal of annoyance within the department. There is one of these officers who has passed over 66 others within this port alone. We do not deny that superior merit ought to be rewarded by our superiors, but what we do contend is this: that it is an injustice to all those men who have been passed over that the merits of one man should re-act against them; if he has done any special act that he should be rewarded in some other way, either by promoting him to a superior capacity, or else by some monetary grant, but placing him in the first class over 66 others, causes all these men to be dissatisfied with this arrangement.

25,664. (*Chairman.*) How can you have promotion by merit without passing over the heads of some who are not thought to be of equal merit. I do not see how it

Mr. D. Moloney and Mr. T. A. Webb.

11 Mar. 1889.

is possible?—Within the class we may. (*Mr. Webb.*) We would not object to him being made an assistant, because we recognise that assistantships and examining officerships go entirely by superior merit. An outdoor officer on London duty has practically no chance of distinguishing himself, but an officer on Gravesend duty may distinguish himself very much, as in the instances we are quoting, by making seizures under difficult circumstances and so forth, and rendering himself entitled to promotion, but an outdoor officer in London might be an excellent officer and do his work very well, but it is simply official work, and we have no chance of distinguishing ourselves in any special manner. Those officers for a certainty can only look forward to the first class. They would not mind these special men being promoted to assistants or second class, because it is recognised that a man only gets in there by competition or on account of special merit; but the first class is one which we all look forward to go to by seniority alone.

25,665. (*Lord Lingen.*) This man was brought out of the second class, I suppose; was he put over these 66?—Yes.

25,666. He was not brought from outside the body?—No; he was not brought from outside the body. The copyist is the only man who has been brought from outside the body.

25,667. (*Mr. Freeman-Mitford.*) And you say that he had distinguished himself by superior ability in the discharge of his duties at Gravesend?—Yes. (*Mr. Moloney.*) I may also remark with reference to the copyist that we have been informed that at Cork, Bristol, Inverness, Liverpool, Llanelly, Wick, and Greenock, seven places in all, there have been recently copyists appointed to outport clerkships, superior appointments, and, so far as we have any knowledge, without any further examination.

25,668. (*Chairman.*) To outdoor officerships?—(*Mr. Webb.*) To second class outport clerks. If you look at the end of our paper, you will see there a copy of the petition which we sent down to the Board concerning that. We would like to have these outport clerkships thrown open to us. One examination was open to us, or part of it. (*Mr. Moloney.*) Twenty vacancies.

25,669. You want the clerkships at the outports open to your classes to compete for?—Yes.

25,670. (*Lord Lingen.*) I thought that had been done now, and the services amalgamated, the clerkships and the outdoor services at the ports?—No. (*Mr. Webb.*) There are still clerks, you know, at the outports, and in 1885 I think it was, there were 30 vacancies, and 20 of them were thrown open to us alone, the other 10 to open competition. Soon after that we petitioned the Board, asking them to make all these vacancies open to us, and they, as you see by the reply on the last page of our paper, said that they would take our case into consideration.

25,671. Then the Board appears to have granted your case?—Yes; but since then they have appointed these copyists to the vacancies as they have arisen.

25,672. (*Chairman.*) Now, let us leave the question of the clerks and take another point on which you are anxious to say something?—(*Mr. Moloney.*) The next point which we wish to call your attention to is retirement at the age of 60 in our service.

25,673. That is the question of superannuation?—Yes. We have a number of men in our service since the amalgamation of 1882 who are in the higher posts, and from the responsible nature of the duties—being interchangeable now from gauging to rummaging, and from that to water guard and landing—these men are obliged, in some cases, to go into the clerical offices and quiet posts, consequently, a great deal of the labour devolves upon the young men in the service; and not alone that, but it keeps back the legitimate promotion which every officer of younger years may be led to expect; and after 60 we contend that an officer is not fit for the active duties of an examining officer.

25,674. You want compulsory retirement at 60, in order to provide for promotion?—(*Mr. Webb.*) Yes.

25,675. (*Lord Lingen.*) Is there any compulsory age of retirement in the Customs service?—(*Mr. Moloney.*) No.

25,676. None?—I know one dock in London alone where the average of 22 examining officers' service is 34½ years' each.

25,677. As examining officers?—(*Mr. Webb.*) That is as examining officers alone—the higher posts. We contend that with such a length of service, and at such an age, it is impossible for the junior grades to advance in the service.

25,678. (*Mr. Freeman-Mitford.*) But they would be under 60 even then, would not they?—Some of them may; but I do not think they all are. I believe that a good large proportion of them are over 60, we leave a large margin of service. After 34 or 35 years a man may possibly be under 60. We have taken 60 in order to be on the lenient side of the question. At other places they suggest retirement at 35 years' service; but we advocate retirement at 60 years of age.

25,679. (*Chairman.*) Whether a man is fit or not?—Whether a man is fit or not; the compulsory retirement at that age within our department.

25,680. What would the men of 60 say to that, do you think? Do you think they would like to be compulsorily retired at 60, when they felt that they were fit for work?—I daresay some of them would like to remain a century if they could remain so long.

25,681. (*Mr. Harvey.*) Have you considered the general cost that would entail?—We have not worked that out; but we consider, in looking at it from an individual point of view, that very probably these men would receive high pensions, as they have, no doubt, reached the maximum of their class.

25,682. (*Lord Lingen.*) You see that is a question that should only be considered with regard to the whole service at large; you could not possibly deal with that question as applied to the Customs only?—Would it not be possible to make an exception in the Customs case, since the nature of their duties is different from what it is in other appointments.

25,683. (*Chairman.*) I do not know how that might be. At all events you have represented your views to us, and we must consider them. Is there any other point especially that you would like to allude to?—The alteration of the hours of labour. We in London are not in a position yet to know to what extent our honourable Board are going to alter our hours, but we may say that the Liverpool officers will be able to tell you that there is a scheme now in force there as an experiment which we are informed was ready to be extended to all the ports in the United Kingdom. With a view to avert that we went and consulted our Board on the matter, and the secretary informed us as outdoor officers that our hours were from 6 a.m. to 6 p.m. throughout the year with a reasonable interval for meals. We contend that no such conditions exist as regards our terms of service, and we are fortified in this by a circular which has been issued to candidates for outdoor officerships in the Customs by the Civil Service Commissioners at the request of the Board of Customs, telling the candidates that when they were employed upon the river their hours were irregular, and could not be defined, but when employed in the warehouses their hours are from 8 to 4 in the summer and 9 to 4 in the winter. Yet in the face of that they told us distinctly that our hours were from 6 a.m. to 6 p.m. throughout the year. We contend that it would be an impossible condition for us in London to work from 6 a.m. to 6 p.m. considering the distance that we have to travel to our stations. If we had to attend from 6 o'clock in the morning till 6 in the evening it would practically mean 14 hours continuous work.

25,684. I do not understand that the alteration or fresh regulation has yet been made?—At Liverpool.

25,685. We are talking of London, and the Liverpool gentlemen are going to be represented here, so I really must ask you to keep yourself to your own facts, because we are going to hear those gentlemen. I understand that in London the object you have in mentioning these things is simply in advance, as it were; you fear that something of the sort is going to be done. Well, that is hardly a question for this Commission to consider?—The question has been raised, and we dispute the contention of the Board of Customs that our hours are from 6 to 6.

25,686. Do I understand that the Board of Customs have told you that your normal hours are from 6 to 6?—They told us distinctly that our hours were from 6 a.m. to 6 p.m. throughout the year for the outdoor officers with a reasonable interval for meals. That was told, by the deputy chairman of the Board, to a deputation of our body which waited upon him at his request.

25,687. (*Lord Lingen.*) Did you understand him to mean that your ordinary regular hours for your salaries were from 6 to 6, or that you might be required to attend for those hours with the understanding that beyond the regular hours of service, 8, or whatever they may be, you would have extra pay?—(*Mr. Moloney.*) No. (*Mr. Webb.*) No; because we understand at once that we may have to perform any duty at any time without extra pay, Sundays or week days, night or morning, at any time.

25,688. Do you feel quite sure that the proposal of 6 to 6 was service for your regular salaries?—(*Mr. Moloney.*) Yes. (*Mr. Webb.*) I did not hear that myself. I was not present; but I should like to state that for some duties outdoor officers are often employed now from 6 to 6 in London, without extra remuneration.

25,689. Occasionally, you do not mean regularly?—(*Mr. Moloney.*) Not in London, in the waterguard it is very irregular. There were no definite rules there, but on land the regulations are governed by the regulations at the warehouses.

25,690. (*Chairman.*) You mean that the regulations of the warehouses, as regards hours, govern all the regulations as to hours and all the work of the outdoor officers?—Yes; our hours and theirs are the same, except the extra hours. Of course there would be an overtime charge made.

25,691. Did not I understand you to say just now that when you entered the service you were informed that, as regards warehouses, your hours would be from 8 to 4, or from 9 to 4, as the case may be; but as regards employment on the river the hours would be irregular?—Yes. (*Mr. Webb.*) Yes.

25,692. Does that cover the case from 6 to 6, or any other time that might be required of you as a Government servant, or does it not? I imagine it might be held that there are no regular hours at all, that you must do what is required of you?—(*Mr. Moloney.*) Candidates frequently complained that they were deceived as to the number of the hours that they had to perform the Customs service, and as an instruction to candidates entering the Customs service, the Civil Service Commissioners issued this circular. We looked upon that in the light of being the recognised official hours for the salaries that were awarded to that position.

25,693. I know nothing about it beyond what you have now mentioned; but it seems to me, from what you state to us, that the warehouse hours are clearly defined; but with reference to the others they are stated to be irregular, and that is all the information that you appear to have had?—It is not exactly laid down in one continuous line. Of course, by the circular the hours are really changeable, according to the nature of the duties.

25,694. Then your contention is that to ask men to work from 6 to 6 on riverside duties is an unreasonable length of time?—In warehouse work and landing duties we consider it unreasonable.

25,695. In landing duty?—In any duty, while we are employed on land.

25,696. Why would it be unreasonable on land when it is not unreasonable on board ship?—Simply because on board ship the men are always on board the vessel, and the moment they rise in the morning they are at work, and there are reasonable times for meals on board the vessels and not on land. On land we have to travel two hours in some instances,—four, five, and six miles to reach our respective stations in London. The work is continuous. The warehouses are not shut during the day, and we are constantly in attendance till they are shut at night.

25,697. You are speaking now of attendance outside the warehouses, are you not?—I am speaking of the land, the ordinary land duties in London.

25,698. Outside the warehouses; but inside the warehouses the hours are not from 6 to 6, as I understand?—(*Mr. Webb.*) Any of the landing duty we reckon as warehouse duty.

25,699. That is what I wanted to understand clearly?—Inside or outside is no difference; the only difference is land duty and water duty. Water duty is done by the waterguard officers, and if free goods are being landed the officers are detained there till 6 for nothing. I have been detained myself. It does not very frequently occur; but it does occur.

25,700. Let us be clear as to what your position is about these hours of labour?—(*Mr. Moloney.*) Our contention is that when on land in London—when I say land I mean duty as distinct from that on the river—let our hours be from 8 till 4, as they are at present, in the summer, and 9 to 4 in the winter. Those are the hours at present in force, but we were disagreeably surprised to find that we had no claim to such hours, and further it was stated that any charge that we had made beyond these regular hours was only by the courtesy of our superiors.

Mr. D. Moloney and Mr. T. A. Webb.

11 Mar. 1889.

25,701. Have you any other point that is not sufficiently clear in your statement?—With reference to the awarding of characters, I should like to make a remark on that point. It is referred to on page 7 of our statement. The present method of awarding characters is in the scale of A, B, C, D and E letters, and the distinction between those are very close. A means a first-rate character, but special qualifications. Then B. is a little below that, and so on down to about seven letters, and the distinctions are so very close that surveyors, I am sure, are at an utter loss to recognise the difference in qualifications of an officer that would entitle him to one character beyond the other. We wish these lines to be abolished and a broader system of awarding characters substituted. Another matter in reference to that is, that there is no intimation whatsoever given to the officer when his character is at fault. After these yearly examinations into the characters of officers the records are kept at the Custom House, and we, as officers, have no knowledge whether they are bad, good, or indifferent, until such time or we make an application for a higher appointment or we are passed over, or we wish to attend another examination; then we are told that in a certain year there was something against us. That is a long time passed over, and there are no means of having it questioned.

25,702. I observe you state in your paper that there is a practice prevailing in the Excise which you would like to see imitated. Is it the practice that all these characters are investigated and recorded in a broader sense than is the case in the Customs, and that each officer knows what is said?—Yes, we believe that is the case in the Excise. I am not in a position to go very clearly into the Excise practice, but that we believe it to be the fact. (*Mr. Webb.*) I should tell you that we all carry what we call charge books with us, that is, small books in which we insert the duty we do every day, and every Monday morning we have to take these to our surveyor, who is a superior above the examining officer, and he has to write at the bottom "satisfied," and sign it. An officer may have "satisfied" on his charge book for 52 times in the course of the year, and yet at the inquisition he would find himself reported for being moderately attentive or having a character bad enough to prohibit him entering for any examination. There is another point I would like to bring in here. Before now I have been accused of something—openly I mean—which was done by another man. He was a man who resembled me very much, wore glasses, and had a full face with whiskers all round, and I was generally called by his name by various men on the river. I would like to point out that I may occasionally have got his character in the inquisition, but I have had no chance of rebutting it, and he may have had my character.

25,703. To whichever side the advantage might accrue by that unfortunate misunderstanding your point is, that at the time when the character is registered each officer should be acquainted with the character, and that he should have an opportunity of putting it right if he thinks it is wrong?—Exactly. If he commits any offence on duty, let it be recorded in his charge book, and if he thinks that he has a grievance against that charge, let him appeal against it. If he does not appeal against it, take it that he admits that he is guilty of the charge, but it seems rather strange that a man should have the surveyor, who is so much above him, satisfied with him for 52 weeks, as witnessed by the surveyor's signature, and at the end of that time he is told that his character is not good. (*Mr. Moloney.*) There is one more point I should like to bring before you before we close; it is with reference to the examination. On page 5 you will see the method of recruiting second class examining officers into our service. They are recruited half by competitive examination and half by selection. We complain of the method of withholding the result of the examinations from the candidates who compete. They simply give the names of the successful ones.

Mr. D. Moloney and Mr. T. A. Webb.

11 Mar. 1889.

25,704. Is not that the case generally?—No. At the outports clerks' examination to which we are admitted, by the payment of sixpence we can get an analysis of the results of the examination, so that every officer, if he was successful or not, knows how many marks he got, and it is a usual thing for the Civil Service Commissioners to publish these analyses for every examination. By that means an officer is able to tell somewhere nearly where his weak points are, and so for a future examination he could fortify himself on those points. The Board were approached upon this matter, I believe, by the "Civilian" newspaper, but they refused to give any satisfaction. I should mention that we have to pay an examination fee just the same as outside candidates.

25,705. Is this the practice, do you know, to any extent in the examination for any other Government office?—I never heard of another instance.

20,706. Can you give me any reason, or do you know at all why it is in your case?—I have not the slightest idea. The Board simply refused to give the information. I believe the "Civilian" offered to defray any expenses that would occur, but I cannot say that positively. I have exhausted all I have to say about London. I have a few items here that I have received from the outports, which I think the Commissioners would like to know. I will not detain you long with them. We have heard altogether from 42 ports, some very smal places, and each of them have their own grievance. We have endeavoured to tabulate as much as possible what the general grievances are, but they are at one with us as regards the acting system. All ports agree with us in that. They complain of the abnormally long hours at seven ports, North Shields, Middlesbrough, Boston, Alloa, Barrow-in-Furness, Hull, Folkestone.

25,707. How long hours?—Long hours extending to 18 and 19 hours per day they tell us. They complain of having to perform menial duties, which they described as washing and scrubbing boats and offices, painting, and running messages at Hayle, Barrow-in-Furness, Folkestone, and Newcastle-on-Tyne. There are 14 ports complain of acting examining officers working without any remuneration whatsoever. These do not include Liverpool or Southampton or Harwich. In Bristol alone there are 13 not paid out of 18 who are acting. The officers at Queenstown complain that the watermen, who are an inferior grade, receive preferential duties to themselves, the outdoor officers. At Grangemouth the officers complain that there are two who have been acting continuously, one for seven years and the other for five years, and are not yet established. That is a summary of their statements to us.

The witnesses withdrew.

Adjourned till to-morrow at 12 o'clock.

SEVENTY-FIFTH DAY.

7, Whitehall Place, S.W., Tuesday, March 12, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

MR. A. B. FREEMAN-MITFORD, C.B.
MR. R. W. HANBURY, M.P.
MR. H. L. W. LAWSON, M.P.
MR. MACLURE, M.P.
MR. H. WALPOLE, C.B., *Secretary.*

Mr. GEORGE MAIN SMITH and Mr. ISAAC E. GEORGE called and examined.

Mr. G. M. Smith and Mr. I. E. George.

25,708. (*Chairman.*) You gentlemen both represent, I believe, the out-door officers of the Customs at Liverpool?—(*Mr. George.*) We do.

25,709. We had the advantage yesterday of seeing some gentlemen representing the out-door officers in London, who also spoke for 42 other ports; and therefore I will ask you to keep yourselves to the points which especially concern Liverpool, and wherein you differ from the other ports. I understand you wish to be dealt with separately?—Yes.

25,710. You sent us a paper which is very exhaustive; perhaps you would kindly supplement that by calling attention to the special points in it; do not take us right through it because we are pretty well familiar with the main facts?—You will be interested to learn something which would probably increase the efficiency of the service generally. The sore point which is specially felt at Liverpool is this, that young men coming into the service under competitive examination, as you read from the statement of the London officers is the case, are put upon water-guard duty at Liverpool. There is a staff now of about 30 young men on water-guard who have been on it about two years. That duty we shall contend is not such as requires a great degree of intelligence, nor such as would require that a man should be put to a severe educational test to make him fit for it. He is on that duty for various periods, a large staff now having been on over two years. During that time there is absolutely no opportunity of an officer learning any other duty at all than that of the water-guard, and of the water-guard only such as absolutely belongs to watching. The officer does not even get to learn the tide surveyor's duty, the tide surveyor being his senior officer. We consider that by that system the efficiency of the Revenue Department which we represent has deteriorated very much. It is not at its best.

25,711. What do you suggest?—We have suggested that the water-guard duty should be performed by a carefully selected staff of naval pensioners who would be able to do it more efficiently, as far as physical performance is concerned, than these young men, many of whom are fresh from school or from inland towns, and are not so well adapted for it physically. The naval pensioners would be able to do the watching quite as efficiently; we contend that they would be able to do it somewhat more economically. Numbers of these young men are continually on the sick list, perhaps five out of thirty. That will not be a large per-centage to estimate for those who are sick—chest complaints, most frequently neuralgia and such things, all derived from exposure. They are sent out in boats on the river and may be cruising about for several miles until they are boarded on a ship, the boats starting from what we call a boarding station, where there is a staff of men ready to place on foreign arrivals.

25,712. Have you ever complained at all as a class to the Board that this exposed work was hard upon young fellows first joining?—We have.

25,713. And have you made a suggestion to the Board?—Yes.

25,714. Has the Board considered the suggestion that you make. Did you originate the suggestion that there should be a select staff of naval pensioners to perform that duty?—We originated that suggestion.

25,715. Has it been considered by the Board?—It has not been considered by the Board. The Board have been complained to as regards the severity of the duty as felt by the young men; and their reply was to severely censure the officers for combining to—it would be difficult to say what—for the mere fact of combination—they must combine in order to sign a document, a petition which they sent to the Board. They were censured for that. The water-guard surveyor described them as the most discontented set of officers he had ever been called upon to superintend.

25,716. Is this recently that you are speaking of now?—It is recently.

25,717. In coming before us that is the recommendation that you make with reference to boarding duty; you summarise it, I think, at page 5 of your paper?—Yes.

25,718. Then I think you make the suggestion, which has been made by others before you, with reference to the hours—8 hours in summer and 7 hours in winter—without extra remuneration. I do not think there is anything special in the hours at Liverpool that differs from the hours in the port of London, or in other ports?—Generally speaking, there is not with regard to landing and shipping of goods.

25,719. I believe that the practice is identical at the ports, and the views that you entertain are exactly those that are put forward by the gentlemen who came here yesterday?—They will not be able, perhaps, to speak from actual experience of the duty. They have not felt the pressure as we have.

25,720. Where do you feel it?—We were commissioned to express the gratification of the officers that the Treasury had definitely extended to them this concession of an 8 hours day in summer and 7 in winter; or, more correctly, 42 hours duty during the week in winter and 48 during the summer months. We express our gratification at that, although it has told upon us a little severely in some directions by calling us out earlier or keeping us at duty later. For instance, although we may work 8 hours in the day, yet coming at 6 in the morning makes itself felt a little more severely than coming down at 8 in the morning, 8 being the legal hour at present. Then, again, working from 10 to 6 is highly inconvenient as shortening the evening very much for the officer.

25,721. But then I understand that you are satisfied with the concession of the Treasury?—We are, but we would like it fixed on a still firmer basis. We would like it, so to speak, in black and white from them; some order which there would be no possibility of gainsaying in the future. We think something of the sort is due to us still.

25,722. Then you make the same suggestion with reference to the increment of your salaries being increased from 1*l.* 10*s.*, which it is in both classes of out-door officers, to 3*l.*, and the abolition of classification?—Yes.

25,723 There is nothing new, I think, in that, and that is exactly the same point that your brethren make from the other ports?—Those are very strong points; but there are, perhaps, some special features in connexion with Liverpool duty which call for consideration, and we urge our claims in that connexion.

25,724. What are the special points in connexion with Liverpool that you wish to call attention to?—The general loss of prospects suffered by the officers.

25,725. That is not peculiar to Liverpool, is it?—To a certain extent it is. There is a large per-centage of our class on what we call clerical duty. That work a few years ago was done by lower division clerks. It is now done by out-door officers.

25,726. We know all about that. That was what was called the amalgamation of the out-door and clerical department in the year 1882?—Yes. The anomaly is this, that the work is given to out-door officers, men who entered the service at 55*l.* a year, so that we are now doing the work that should really be done by examining officers and was formerly done by lower division clerks, so that the number of staff appointments open to us is diminished by the number of out-door officers doing the superior work. That is our strong contention for an increase of salary and increment.

25,727. You ask for that increment of salary principally upon the ground that since you have joined the service the reorganisations have injured your prospects by taking away a large per-centage of the higher appointments which were open to you?—That is very much so.

25,728. Then you dwell upon the acting system, which is the employment of the first class or second class out-door officers as acting examiners, whereas a class of assistant examining officers has been appointed recently, as you say, for the very purpose of doing that work?—Yes.

25,729. And you think that there should be more of those officers, and that your class should not be employed as acting officers so long without remuneration?—Yes, we do.

25,730. Or with such a small remuneration?—Yes, the large number of the acting men is a most grievously sore point with us at Liverpool. There are 20 per cent. of the Liverpool out-door officers continually employed in doing the examining officers' duty. For instance, of the staff of 45 tide-surveyors you may have 20, that is one half, composed of out-door officers, continually doing that work, not for a day or two or a week, but at it quarter after quarter, and year after year.

25,731. Do you mean that 20 per cent. of those officers are practically employed for the whole year?—Constantly that number.

25,732. Wholly on examining work?—Constantly.

25,733. (*Mr. Hanbury.*) How long has that been going on?—It has been growing gradually for years. It has been going on for a few years at this per-centage.

25,734. What do you call a few years—five or six?—Yes.

25,735. (*Chairman.*) Then you suggest the to abolition of that system, and, I suppose, if that was an impossibility you want, at all events, a reduction of it?—We contend for the abolition of anything in the nature of a permanent acting man. For instance, with regard to work which is continually required to be done by an officer of the status of the examining officer, there are certain cases where a wave of work may come to a station. The thing may be got over by employing an out-door officer to act as an examining officer just for a week, or perhaps for longer. For instance, I may be a locker at Liverpool, at a Mediterranean shed, looking after free goods or general bonded cargo for a time. During the fruit season, as we call it, from August to December, a large quantity of dried fruit comes there, and it requires to be weighed off the quay. For that work the ordinary examining staff of the station would be found insufficient, and that is where an acting man can be legitimately called in to assist. We deprecate the employment of acting men outside this sphere.

25,736. For anything like the permanent work of the establishment you mean?—Yes.

25,737. Then you make a suggestion that all vacancies for clerks should be open to competition amongst outdoor officers; that has been to a great extent met, has it not, by the Board?—Yes, the Board have admitted a large number of young officers already to compete for the last examination held for clerks, and we have requested that they would do so entirely in the future. That would mitigate the loss of prospects to some extent.

25,738. Another point you take is that officers of the out-door department be eligible for promotion to the situation of collector and superintendent. That, I think, is an old suggestion, is it not—the suggestion of a former commission?—Yes. The contention is that the out-door staff would be qualified by their experience generally to do that superior work, and that the posts should be open to them on that account.

25,739. I do not see any other special points that appear to me to be peculiar to Liverpool. If there is anything special to Liverpool that you desire to say anything upon, perhaps you would be kind enough to do it. The other points that you name here are all points that we have already had brought before us, and of course your paper endorses the views of your colleagues, those who are in the same class as yourselves from the other ports?—We are requested to

Mr. G. M. Smith and Mr. I. E. George,

12 Mar. 1889.

speak very strongly as to the necessity of filling up the vacant assistantships. There is a large number of those still vacant at Liverpool according to the establishment.

25,740. Do you refer to assistant examining officers?—Yes; and further, the young men there, those who come in at 55*l.* recently, feel very strongly indeed the insignificance of the commencing salary. They feel it more especially since this recent extension of hours for landing and shipping goods.

25,741. (*Mr. Hanbury.*) Who are you talking of. I thought you were mentioning assistants; their salary is 100*l.*, is it not?—No, the young men who entered the service at 55*l.* feel the smallness of the salary very much more since they have lost several shillings a week in overtime under the application of this new order. Our financial case may be summed up in a very few words, that since the superior appointments have been so very much reduced the last few years through several causes, most of which you have heard, I think it naturally follows that we are to be out-door officers for longer and longer periods continually, and we cannot be drafted off so quickly. The remedy seems to lie in the increase of increment so that we should not suffer so much by remaining out-door officers for a longer period. Then there is the contention as to the superior work now done by out-door officers. I may point to a reference in one of our paragraphs. At the middle of page 3 we say: "in short, the tendency in this department at present is to take advantage of the abilities of competitive out-door officers and place them upon superior duty alongside of, and doing the same work as, examining officers, getting from twice to three times as much salary, without granting them any extra remuneration." I think that grievance is more felt at Liverpool than at any other port. We happen to be somewhat remote from London; London seems to be sacred in the eyes of reformers to some extent; it is not tampered with so much; and directly the Treasury or the Board have a scheme of reform to work, they send down to Liverpool, and it is we who suffer. We are the next largest port to London. We have suffered continually there to some extent, perhaps through not being under the eyes of the Board so much. Our executive have been made to pare away in every direction, and we find now that out-door officers on all hands are doing work formerly done by examining officers.

25,742. You say that experiments are made at Liverpool?—Yes.

25,743. You are the *corpus vile* upon which the Board's experiments are made?—That seems to be so.

25,744. But is it the case at Liverpool more than anywhere, do you think, that, as you say, out-door officers are put to superior duty alongside of examining officers without remuneration?—It is so.

25,745. (*Mr. Lawson.*) For how long at a stretch?—Permanently. For instance, in London, I understand that there are no out-door officers keeping ledgers; that is done entirely by out-door officers at Liverpool. That is a portion of the clerical work transferred to the out-door staff.

25,746. (*Chairman.*) You are speaking now of what has been the case since the amalgamation of 1882 of the clerical and out-door establishments?—Yes.

25,747. (*Mr. Lawson.*) What I want to understand is, do you object to keeping ledgers?—We do not. We want to be paid for it.

25,748. But if you had your choice at your present rate of salary whether you would do that work or the work that is proper to your class, which would you prefer?—I should prefer the higher work and expect some recognition for it, of course.

25,749. But you would prefer to do the higher work?—Most decidedly. We expected to do something of the sort when we came in. I think the mere fact of our going through a severe competitive test is an indication that that work is most suitable to us.

25,750. Let me understand you; did you expect to do that work at the rate of salary at which you entered, or at a higher rate?—No, we expected to do it in the ordinary course of promotion, as we were raised up to the higher posts. It would then fall naturally to our lot.

25,751. (*Chairman.*) Let us be clear about this. At Liverpool who kept the ledgers that you now say your class have to keep upon a lower remuneration than you think they ought to have? What class kept these ledgers previous to the amalgamation?—They were kept by lower division clerks.

25,752. Then it was found, I presume, that the work might be done by officers of your class?—Yes.

25,753. Who enter upon a lower salary?—Yes.

25,754. And not upon the same examination?—They were gradually handed over to us first, one man at one office and another at another, and so on.

25,755. Is not that giving your class an opportunity to develop skill and show your ability in keeping accounts and ledgers, and then afterwards opening up to you the clerkships that you say have been opened to a certain extent, and which you wish to see opened more. Is not that improving your opportunities for promotion, even although the work may have been formerly paid for at a higher rate; is not it improving the prospects of your class?—No, it is dead against our interests to do that work as out-door officers, especially without some recognition of it.

25,756. Why is it dead against your interests? I do not quite see why it is against your interests. I quite understand that you desire to be paid a little more for doing it; but I should have thought that the opportunity for doing work which you say was rather higher paid work, and showing proficiency in it, would be increasing your opportunities of self-education and showing efficiency in the public service?—I am sure no one would object to it on the score of increasing one's proficiency and so on; but the same argument could of course be applied to a tide surveyor's work or a gauger's. I have no doubt I could do either myself as an out-door officer with a little more training; but it would not be politic to do it. There are well defined grades and certain responsibilities attaching to those grades.

25,757. Is there any other special point that you wish to bring before us?—(*Mr. Smith.*) I feel under a great responsibility in this matter, as the out-door officers in the service generally are very strongly convinced that this may be, what it probably will be, the last opportunity which they will have of placing their case before a Royal Commission. I feel the responsibility of the position, and I hope that the Commission will bear with me if I go over the ground, so to speak, which has been already gone over, so long as I shall introduce some new matter and throw some new light or give it, if possible, some new force.

25,758. I think we must ask you not to go over the old ground, but to confine yourself as far as possible to points of special importance which have not been sufficiently dwelt upon to-day?—That is what I wish to do. I shall be as brief as possible. In referring to the points which I wish to bring before you I wish to say for my class that we suffer from a deficiency of salary; not that our salary has not been sufficient for the work which we perform. We urge that it is not; but from the fact that we cannot live upon our salary.

25,759. (*Mr. Freeman-Mitford.*) What is your salary?—My salary is 64*l.* a year, and I have six years' service. I have a wife and family to maintain upon that. I am paying 18*l.* a year for rent, and I am left with the net sum of 46*l.* to maintain my family respectably and educate them; and I think it is scarcely fair that men who are called upon to pass a fairly high competitive examination should be called upon to serve the English Crown for such a sum as a net salary of 46*l.* That is the main grievance of our class.

25,760. (*Mr. Lawson.*) Is that 46*l.* after deducting your travelling expenses, &c.?—No; deducting the item of house rent alone. I am speaking of my own case now. I have 46*l.* to maintain my wife and family upon after six years' service. My family is increasing, and many others—hundreds—are in the same position as myself. We find that it is simply impossible to maintain the respectability which we must maintain in this service upon that sum. This is our principal reason in making this representation to you. We have been asked more particularly to make this representation to you on behalf of the junior officers. You will understand, gentlemen, that there are two classes, or rather two grades of pay, of out-door officers in our service at present, one grade commencing at 55*l.*, he other grade commencing at 70*l.* I have been asked more particularly on behalf of the grade that commences at 55*l.* to say that we should require a 10*l.* addition to our salary—an immediate 10*l.* addition—to

enable us to live upon our salary with the respectability which ought to attach to our position in the Government service.

25,761. (*Chairman.*) Do you mean that the beginning salary should be 65*l.* instead of 55*l.*?—Not necessarily; but that it should apply at least to the men who have come into the service and who are now suffering. Future entrants may be taken in under any scheme which the Treasury may appoint. It is those who are in the service and are now suffering for whom we wish to have a better pay.

25,762. Did not you know when you entered the service what the pay was?—Yes, I did.

25,763. Does not what you say with respect to the future, namely, that any conditions that the Government may think fit, or that Parliament may think fit to apply, must be accepted? Does not that apply also to yourselves? Whatever the salary may be it is the salary that you knew you would receive, and the salary which you entered the service to receive?—Yes; but we have, I should think, a very proper claim for this increase, as I will show you immediately. When I came into the service we understood that we should be eligible, after three years' service, for promotion by competition to the class of examining officer.

25,764. (*Mr. Freeman-Mitford.*) Three years' service, I suppose, you mean; not competition?—After three years' approved service. These promotions have been reduced practically to nothing. We have a table in our statement which shows that the number of promotions in 1883 to examining officer from out-door officer was, I believe, 70; in 1888 they had dropped to seven.

25,765. (*Chairman.*) Four, I think you say in your paper?—That is up to October.

25,766. Then there have been three more?—We have three more up to the end of the year. We contend that that amounts to a very serious grievance in our case, and will justify us in asking for such a salary as will allow us to live. When I entered the service in 1883 there had been precedents that examinations for examining officer would be held about each three years, and that a considerable number of appointments were usually given. In the year that I entered the service there was an examination, and 123 candidates were declared successful in 1883. That examination took place three years after the previous one. I think we were fairly entitled to expect that that state of things should continue; that once in three years we should be fairly entitled to expect such a number of examining officerships as 123 to be competed for by the out-door officers. We waited for four years and eight months before we got an opportunity to compete in an examination, instead of three years, and at the end of that time, when we naturally expected that the number to be declared successful would be greater, we only got 25 vacancies instead of 123. We say, that that amounts to a case in which we are justified in declaring that we ought to get some compensation in the nature of an immediate increase in our salary for the great loss in our prospects of promotion. Further, in the same time we find that in 1883—I am giving these figures from a year book which is recognised in the service—Ham's Year Book—the number of first class out-door officers given in that book for 1883 was 742. That was the year in which I entered the service, and I naturally expected that such a proportion in relation to the second class of out-door officers would be maintained. In 1889 I find that there are only 517 of that class, namely, a reduction of 225; more than one fourth of the whole number of first class out-door officers existing when I entered the service. I think that is a very serious grievance. In the Liverpool establishment alone there are 58 less examining officers than there were when I entered the service. The number of examining officers also has been very considerably decreased as the number selected by the examination will show. In 1889, in Ham's Year Book, they show 1,065 examining officers on the books. There is that number in the kingdom at present. To show that we have further reductions to expect the estimated number of examining officers for the establishment taken in 1888–89, as issued by the Treasury is only 849. We are here again threatened with a reduction in our superior appointments of 216, as though we had not already suffered enough; a threatened reduction of 216 in the examining officers class again.

25,767. (*Mr. Hanbury.*) Have the numbers below that class decreased or increased lately?—There was an intermediate grade created since, which is not yet filled up, but we maintain that, when we entered the service, as the intermediate grade did not exist, the introduction of that class at less than half of the salary, or about half, roughly speaking, of the salary of the next highest grade which existed when we entered the service, is a further justification of our claim for some increase—immediate increase—of our salary, for we had legitimate expectations of promotion to examining officer.

25,768. My point is this: You say that the number of these higher posts is reduced. Has the number of candidates for the posts below them been reduced or increased within recent years?—The number, do you mean, as compared with these higher posts?

25,769. (*Chairman.*) Take the total number of first and second class out-door officers, the class that you belong to?—I do not know that that has materially decreased, it is the relation of the superior appointments which is so terribly changed; it is not so materially the inferior staff. I have not the exact figures, but it is the relation of the classes and the introduction of an inferior class of which we complain. For instance, to examining officer, when I entered the service, was the next step of promotion open to our grade. The ultimate salary, the maximum, was 300*l.*, and by a single step we were legitimately right in expecting to rise to 300*l.* Since we entered the service, and without any compensation being granted to us, an intermediate grade has been introduced, with a maximum salary of 150*l.*, just exactly one half, and we have received no compensation whatever for the consequent reduction of prospect.

25,770. (*Mr. Freeman-Mitford.*) Is not that to your advantage?—We should think not, if we can by examination after three years' service immediately be promoted to a salary which will command us 300*l.*, that was one of the conditions under which we entered the service. I have now to expect only a salary which shall be 150*l.*, instead of 300*l.*

25,771. But would not that show that your class was benefited by that other class being interposed?—Well I have just shown by the figures quoted that there is a diminution of superior appointments up to the present, and it has gone on gradually. I should say the class of examining officers has been very extensively diminished, and there is an estimated further diminution for this year of 216 on the Estimates. There are 1,065 at present in the kingdom, but as I have said, the estimated number of that class is now 216 less than that.

25,772. In the table which you give upon page 4 of your statement and to which you have referred, showing that in the year 1883 there were 70 promotions from out-door officers to examining officers, and that last year there were only seven, do you include in examining officers there the assistant examining officers, or have you left them out of the calculation for the purposes of the table?—We have left them out for the purposes of the table. We have no correct data as to them, as there are only two years' promotions; that assistant class has only been in existence since 1886. Our prospects by the reduction of the examining officers class have been steadily reduced since 1883. This is the purpose for which we have prepared this table. The next point to which I should wish to direct your attention very particularly is the increment. We request an increase of increment, to 3*l.* I have no doubt you will have heard that pretty well spoken to, and I shall only quote the other increments which exist already in the Civil Service, and with which I think we have some legitimate right to be in some favourable ratio of comparison. Boy clerks get an increment of 2*l.* 12*s.* We, men, who entered under 25 years of age, receive only an increment of 30*s.* Female clerks even, who pass an elementary examination compared with ours, or at least I ought to say an examination not so testing or so severe, get an increment exactly twice ours, 3*l.* Take a class, which perhaps we should not think it a great compliment to be compared with in any other way than simply as to our rate of salaries, which very nearly correspond; the second class sorters in the General Post Office. I find that they have an increment of 3*l.* 18*s.*; we have only 30*s.* They enter by a comparatively elementary, in fact by an absolutely elementary, examination, in the four simple rules of arithmetic and the geography of the British Isles. I consider that an elementary examination compared with ours. These men, without any classification rise to a maximum almost identical with ours, that is, our ultimate

Mr. G. M. Smith and Mr. I. E. George.

12 Mar 1889.

maximum of 100*l.* We rise to 100*l.* If we abolish classification our ultimate maximum as outdoor officers is 100*l.*, theirs is 98*l.* 4*s* Immediately on receiving their appointment as second-class sorters they there and then become entitled to an annual rise of 3*l.* 18*s.* up to 98*l.* 4*s.* I think their scale of salary corresponds very closely with ours, and I think that we surely in all conscience ought to have some increment corresponding to theirs. We have asked for 3*l.*; theirs is 3*l.* 18*s.* Their duty is mechanical, as sorters' duty must be; ours is to a great extent intelligent. We think that these figures will go to prove that we ought surely to get some further increase in our increment.

25,773. (*Mr. Freeman-Mitford.*) What are your subjects of examination on entering the service?—Our subjects of examination include English composition for an hour and a half—a very testing and trying examination of the intelligence of the candidate. The arithmetic examination is up to and including vulgar fractions; it really embraces all the problems that can be set in arithmetic, and includes the square and cube roots—I should say practically includes the whole range of arithmetic.

25,774. (*Mr. Lawson.*) I should say that this information is already in our possession. I think it is very important, but we have already realised your points?—I quite understand that, but I was simply answering a question just put to me. We wish the classification abolished, that has been already stated to you, but I should like to point to a case or rather an argument which we have, which I think will maintain our case. These grievances which we are now complaining of were considered by the Norwood Committee in 1881 or 1880—1881, I believe—the same grievances; the acting system; the abolition of the prospects of promotion, and the abolition of classification. These were three main points then. In their report they reported in favour of the initial salary at London and Liverpool, which was 70*l.*, being "somewhat reduced" for a general initial salary, and that the "present increment" (and the then present increment was 1*l.*) should be "somewhat increased." We should like some explanation, or rather we would wish to draw attention to the fact that the "somewhat of a reduction" of salary was taken to mean and so carried into effect as a 15*l.* per annum reduction—very nearly a fourth of the initial salary. 15*l.* per annum the "somewhat" was taken to mean and so carried into effect. The "somewhat" of our increment was 2½*d.* a week—10*s.* per annum. The same term was used. They reported in favour of somewhat reducing our salary of 70*l.* and of somewhat increasing the increment. The way that that was carried out was by reducing the salary by 15*l.* in London and Liverpool and raising the increment by only 10*s.* We think that it may be perfectly justified according to the vagueness of the term "somewhat," but it is surely straining the meaning of the word, and straining it not at all to our advantage. Then as to the matter of classification. This report was considered by the Treasury, and the Lords of the Treasury issued a minute in which the following occurs. I should like to direct your attention to it because it was deliberately issued after full consideration by that committee, and after full consideration by the Treasury of the committee's report. The minute stated that the Surveyor of Customs, or I ought to say the Surveyor General of Customs, would indeed go so far as to abolish classification altogether. "He would adopt "a scale dependent for its progress from minimum to "maximum on service only." That is what we would request. The Surveyor General of Customs at that time was in favour of that scheme as the Treasury here report. But the Treasury added in criticism of it, "but it may be added that where there are well "marked grades of duties, as is the case in the Customs "service, there should also be well marked grades of "salaries." We are quite willing to admit that the argument is perfectly right, but if there were well marked grades of duties of out-door officers at that time which justified the existence of well marked grades of salaries, these certainly do not exist now. There is no grade whatever of duty for out-door officers. Every out-door officer in the service is liable to perform the same duty. The only grade which exists now is through the fact that the second class out-door officers and the inferior paid officers are the officers who are, generally speaking, capable of the superior duties, and the grade of salaries now exists while the grades of duties, if there are any, exist in exactly the opposite direction to that in which it was maintained they existed then. There is no grade, practically speaking, but the second class men are the men found to be capable of the superior work which is wanted to be done in our service, and as there are no marked grades of duties now, we maintain that according to this contention of the Treasury's the case for the well marked grade of salaries falls through, and consequently we wish to see classification abolished altogether, that we may rise to the maximum if we simply have well conducted ourselves and have deserved it. To show the injustice of this classification I might mention the cases of officers at Liverpool. We have an officer at Liverpool who has 19 years' service, and during the 19 years his salary has only been increased 10*l.*, and he has been years on superior duty—he has had no increase of his salary whatever for nine years. I may say that we have two officers with identically the same particulars in that respect. This officer is still in the second class; both of these officers are, in fact, still in the second class.

25,775. (*Chairman.*) Is that because there is no vacancy in the first class?—There are no vacancies in ports now whatever in the first class. The first class, I believe, is a general class. Previous to 1886 I believe there were a certain number in each class in each por. An order was issued at that time abolishing that system and adopting a system whereby there would be only a certain number in the kingdom to be promoted at any port, and they would be taken in the order of seniority of their service, on a vacancy on a service list, and not locally, which, I believe, would be a great improvement could it be favourably carried out. We wish again to draw attention to this acting system. On November 23rd in Liverpool we had 68 men acting altogether; that is more than one fourth of our entire staff. On that date we had more than a fourth of our entire staff so employed. We are justified, I think, in maintaining that this is only a fair sample of the ratio of acting to non-acting men in other ports, and at that rate there is a fourth of our whole class doing the duty of examining officers. We maintain that the number of officers who are required to be acting continuously represents the number of vacancies which exist in the superior appointments in which these men act, and that the superior appointments should be increased by the number of men who are continually acting in the service.

25,776. We have that point before us, and I think we quite understand it?—Bearing upon this I think we may say that we have men in Liverpool who have been acting examining officers for 22 years.

25,777. Permanently and consecutively?—I believe practically consecutively; consecutively, certainly, but whether continually throughout the 22 years I could not say; practically, continually and constantly, I should say. With reference to this acting system again, I would refer to the Treasury minute, which criticised the principle, and I would like to accept their own terms and adopt them in the same way as we should do with their declarations on classification, accepting their judgment. We contend that the service does not now show grades of duties, and we contend that it should not now show grades of salaries. We should maintain the same conditions with reference to acting, inasmuch as the Treasury minute, which says that when the position of acting examining officer is officially recognised, it carries an addition to the out-door officer's salary; that is to say, 10*l.* per annum then, now 2*d.* per hour. But this is the point which I wish to emphasise "and it is the usual step towards "selection for advancement to the rank of examining "officer" That is the Treasury's declaration upon the acting system then. Now, I wish to point out that we have men in Liverpool who have been in every way qualified for this promotion, and who have been taking this step for 10 years. I say they have been qualified for the promotion from the fact that they were ultimately promoted. We have one instance of a man who was promoted not six months ago who was 10 years approved by the Board to act, and he did this superior duty, and thus we are justified in saying that he was 10 years in taking this important step, which the Treasury here stated is a step towards advancement. I think that is surely too long for us to wait before taking such a step. With reference to three other men who were promoted also last year, the average length of time in each individual case that they were acting continuously for was 5½ years. I say that that cannot properly be described as a step towards advancement. When a man is kept acting before being promoted so long as that—10 years or 5½ years, which is an average of over 7½ years—I say that that is too

long to be taking such a step. We are entitled to make the step surely in a less time than that. We have similar cases of men still acting who are unpromoted.

25,778. Perhaps you will kindly leave that point as you are rather overloading it?—I should refer again, if you will permit me, to this Treasury minute before I leave this part.

25,779. Is it anything more about the acting system, because I must stop you upon that point. You have put your case very fairly before us, and we quite understand it?—It was with reference to the acting system, so I shall not push it. I should like to refer to the system of boarding duty, to which we referred in our statement. I had the misfortune to perform that duty for three years, and a more outrageous duty I never could have conceived, and I am perfectly certain that the British public do not know what we do on that duty. I am perfectly certain of that, and I wish to take this opportunity of placing it before them so far as they care to read it; that this system is iniquitous, it is certainly not known by them how the servants of the Crown are employed upon this duty.

25,780. (*Mr. Lawson.*) What is the duty?—This boarding duty. I have refrained from defining it because we have defined it in our statement. I am simply referring to it, taking it for granted that the duties are understood in some measure. I am simply referring to it with reference to the number of hours' duty which we do upon it. It is a very exposed duty, and I have been 43 hours upon it, with only three or four hours of a break.

25,781. I suppose it is necessary?—It is necessary, but it is not necessary to be done by employing a man 43 hours with three hours break, as I have been; it is not necessary to employ officers 24 hours consecutively under exposure to all kinds of weathers. Some system should be devised whereby the officers should be only required to work a reasonable number of hours, something such as policemen work, for instance, eight hours per day. Some fair system we are quite willing should be adopted, but any system by which we should have to work as at present 13 or 14 hours per day, at the very lowest average, continuously, under exposure, and that for years, is certainly an outrage that is surely not to be upheld in these days, when the tendency is to shorten hours of labour. We should wish some strong recommendation that such a system should be modified to some more humane one; and we wish to show that the out-door officers cannot be employed with benefit to the revenue upon that duty, they are young men mostly fresh from school.

25,782. We have had that before?—It cannot be maintained that these men are so capable.

25,783. You mention that in your statement?—Very well, I shall not dwell upon it.

25,784. (*Mr. Hanbury.*) How long were you engaged upon this boarding duty yourself?—I was well into three years, I was particularly fortunate, as I happened to be selected for a superior duty still in the department, but the men at the examination at which I entered each did over three years of this duty. I should wish to point out that on that duty we have no means of studying for the promotion by competition to which we have a right to look.

25,785. (*Mr. Lawson.*) When you say you were engaged for 40 hours' duty in 48 consecutive hours, you do not mean that you were absolutely on duty, but that you were on board ship for that time, is not that so?—We mean that we have not been relieved of the duty during the hours which I stated.

25,786. That you have been 40 hours on duty without any opportunity of sleep or refreshment?—I am speaking for myself. I have been 40 hours on duty, with only three hours' break when on that duty.

25,787. (*Mr. Maclure.*) Were you on that ship by yourself?—I cannot particularise any case now.

25,788. You have made a statement that you have been 40 hours on duty?—Yes.

25,789. Very well; were you by yourself, without anybody to relieve you at all in the 40 hours?—I mean I have been upon a single ship and I have not been relieved in any way whatever. When I say consecutive duty, I mean 40 hours' duty with only a break of three hours on that duty. Here is one case which happened to myself: I was on duty from 9 o'clock on Saturday morning until 6 o'clock on Sunday evening.

25,790. By yourself?—I was along with others; others did the same duty; I am speaking of my individual case; but, as I say, others did the duty with me.

25,791. On the same boat?—This was not on boat duty, this was baggage duty, and we had only a break of five hours during that spell. But on boarding duty it is the system, or was when I was on it, to do 24 hours consecutively without any break whatever, a whole night and a whole day, and then be allowed off 6 hours for sleep.

25,792. (*Mr. Freeman-Mitford.*) Do you mean that you were continuously at work during that time?—Continually responsible for being on the deck and by the gangway; liable to be visited during all that time by our superior officers, and we were not allowed under any pretence whatever to leave the gangway unless for food during these full 24 hours.

25,793. (*Mr. Maclure.*) When you went for food who took your duty?—We generally board in twos, and the other officer would take the duty.

25,794. Now, did you not take it turn and turn about to have a sleep?—Yes, we did; but our turn of six hours for sleep only came once in 24 hours, you understand me, this way. We took the morning watch and the evening watch of one day. We came on duty at midnight and remained on duty until midnight again. We did that that we might alternate the watches. Perhaps it would be too technical to explain now, but under the system of boarding which I did, and which is now being done in the river at London, I was 24 hours consecutively on duty one day and 12 the next regularly, and have been 13 days from home without leave consecutively.

25,795. (*Mr. Freeman-Mitford.*) What do you mean without leave?—I mean, without leave to go home—without leave from the ship—practically, continuous duty during all that time, and we did not always get our six hours below. The question of characters you might allow me to refer to for a moment. I believe it has been referred to before.

25,796. (*Chairman.*) There is nothing special about that at Liverpool, is there?—Nothing other than the circumstance that we know of men who have been 18 years in the service, but who are still debarred from promotion on account of a mistake or rather of an accident which occurred 18 years ago.

25,797. We quite understand that point, namely, that you wish, if there is any mark against a man's character, that he should be informed of it at the time that it is made in order to give him an opportunity of making an explanation?—Yes, and that in some way the time should be limited during which such a mark may stand as a barrier to a man's promotion. It is surely unreasonable that a man for a mistake which occurred 18 years ago should this day still be debarred, and at a serious loss of salary, because of a mistake which happened 18 years ago, although that man, I believe, has honestly and has well done his best to live down that mistake, and cannot.

25,798. Have you any reason for saying that it is so at present?—I have no reason which I can produce for it other than that I believe it is a fact.

25,799. Can you state as a fact that a fault committed by an officer 18 years ago and nothing else done since, and a good character since, that that fault would be a bar to his obtaining promotion?—I am instructed to state that that is a fact, and without any other charge from the Board whatever during 18 years, that officer is still in the second class, and has been skipped by junior officers in the regular turn for the first class, and the only complaint which has been made against him direct from the Board has been one 18 years ago; when he was newly out of his probation and was inexperienced in the service.

25,800. (*Mr. Maclure.*) Is not that the case in every service in the world?—It would surely not be.

25,801. (*Mr. Lawson.*) Was that one of those officers who you say were not allowed any opportunity of self-defence?—He had not any opportunity for defence; but if his character has been dealt with since, he has not been formally charged. We have officers whose characters must have been dealt with as they are skipped for promotion—recollect, officers who have not been formally charged with anything.

25,802. And they are never acquainted with the particulars of the charge?—They are not. We have

Mr. C. M. Smith and Mr. J. E. Gee.

12 Mar. 1889.

Mr. G. M. Smith and Mr. I. E. George.

12 Mar. 1889.

five grades of characters in our service, from A to E. An officer may be classed low down without any specific charge. Anything under A may debar a man from promotion, anything under B will certainly, while he may be classed C without a specific charge and his promotion would be debarred without a specific charge. We think this ought to be remedied in some way and that some limit should be placed. We recommend that at the end of two years (and we think it a reasonable period) the debarment arising from any misfortune of that kind should cease.

25,803. (*Chairman.*) You cannot surely expect that with a large class of public servants a fault sufficiently grave to be recorded should not have some effect upon a man's subsequent career?—Not for ever.

25,804. Otherwise what is the advantage of having a permanently good character, the debarment should not last for ever certainly, but you say it should be wiped out in two years?—Yes, in two years, if he has justified himself during those years. (*Mr. George.*) That occurs, I believe, in the Excise, the bar has a very definite limit of two years there.

25,805. Is there any other point that you wish to take?—(*Mr. Smith.*) There is a point if you would allow me to refer to it just for a moment as we have evidence upon it, and very recent evidence as well, which I think may be drawn attention to. This is a circular issued to intending candidates in the service, and it here states that the hours of warehousing duty are from 8 to 4, and refers directly to London, but it goes on to state that the general duties of an out-port officer are as "above described." We are here led to understand that the time as here defined will apply generally in the service and the hours in the bonded warehouses are said to be from March to November, 8 to 4 and during the remaining months 9 to 4. We are doing in Liverpool, and have been for years 8 to 5 during the summer. Although in London when they do from 8 to 5 they are paid an hour extra, we do not get that hour extra in Liverpool.

25,806. You do not get that hour extra in Liverpool?—We do not get the hours of London which it is here announced that we are entitled to. Although when on warehousing duty our duty for the day should conclude at 4, we nevertheless are kept on duty until 5 in Liverpool, and we do not get the extra hour's pay for it.

25,807. Do you have no interval for dinner?—No interval for dinner, we work from 9 to 5 as a continuous spell, there is no recognised interval. There is a note here I took whilst my friend was giving his evidence with reference to the out-port clerkships. Our attention was directed to it on the ground that having to do the clerical duty was something in the nature of an advantage to us because it fitted us for the examination for out-port clerkships. That might be if we had any reasonable hope of ever being examined as out-port clerks, but at present copyists who have no claim for permanent service at all under the Government are being promoted to out-port clerkships, although we have a reasonable right to expect that they should be placed for competition amongst the out-door officers, as we have a Treasury minute upon a petition to that effect stating that it would be taken into favourable consideration.

25,808. (*Chairman.*) We had a statement to that effect yesterday?—There have been seven or eight instances, at least, that I am personally aware of where these posts have been given to copyists who have no claim to permanent service under the Crown, and who are promoted to these superior appointments, and very desirable appointments indeed, to our disadvantage. I know it is a fact, if you will allow me to state it for a moment, that the men who came in as copyists were told on coming in, distinctly, that they had no claim whatever for permanent employment in this service, that they might be discharged any day; they were paid hour by hour in order that their service might be dispensed with any hour. These men who have come into the service almost since I came in, certainly since my friend came in eight years ago, have been promoted to these posts and prizes, these high positions carrying very much higher salaries, while we who have had permanency in the establishment have not had a chance to compete for them.

The witnesses withdrew.

Mr. JOHN STRICKLAND and Mr. JAMES CARLISLE MCCLEERY called and examined.

Mr. J. Strickland and Mr. J. C. McCleery.

25,809. (*Chairman to Mr. Strickland.*) You and Mr. McCleery represent the examining officers of Customs at Liverpool, I believe?—Yes.

25,810. We have had the advantage of a statement from the examining officers of the Customs in London. I do not know whether you have seen it, but it covers nearly the whole ground that you yourselves have covered in your paper?—Yes, we have seen it.

25,811. Therefore I would ask you to be so kind as far as possible to keep to the points which specially have reference to Liverpool?—Would the Commission allow us to make a small correction in our statement by deleting three words at the top of the table in paragraph 4. The words are "promoted to be." They have got in there by mistake; there should be nothing there. (*Mr. McCleery.*) That statement represents the establishment not the promotions. (*Mr. Strickland.*) Our statement was made last November, since which time many changes have occurred in Liverpool; but the summary of what we now ask is substantially the same now as then. If the Commission would kindly allow me I would summarise the first 14 paragraphs which contain a grievance, and propose a remedy. Briefly it is this, that in 1883 when the warehousing and out-door departments were amalgamated a new classification was given to Liverpool which was generally accepted as a permanent measure. It gave to Liverpool 193 examining officers, 19 surveyors, and 2 inspectors (a total of 214 officers of our rank and the ranks immediately above us in the line of our promotion), whose aggregate maximum salaries amounted to nearly 56,000*l.* Since then the superior appointments have been reduced, and chiefly by these reductions and the use of the acting system about 6,000*l.* less is now allowed by the present classification for the performance of the same duties by the same number of officers. Thirty-four surveyors and first class examining officers have been abolished in the United Kingdom in five years, but their duties have not been abolished. They are chiefly provided for in this way. An examining officer has the honour of acting as surveyor, but he has not the satisfaction of drawing the salary of a surveyor, except when the merchant pays him for services rendered.

25,812. (*Mr. Lawson.*) And does not he appreciate the honour without the salary?—Not when acting too long. For example, a first class examining officer was approved and appointed to act as surveyor in 1883. For three years out of four he was so acting, serving the Crown as a surveyor and receiving only an examining officer's salary. He was superannuated at the end of last year on the pay of an examining officer. Again, certain duties are ordered by the Warehousing Regulations to be performed by either supervisors of Excise or surveyors of Customs. We know of an instance in one port of those duties having been performed continuously for six months by a second class examining officer. In Liverpool about 20 per cent. of the officers in the out-door department are acting in a capacity superior to their rank.

25,813. (*Chairman.*) Perhaps you would confine yourself now to the examining officers because, perhaps, you are including the out-door officers below you?—It is to show the acting system generally.

25,814. Yes, but we have had some evidence upon the acting system as regards the out-door officers of the first and second class below your grade, and we should be rather glad if you could give us the figures applying especially to your own class. How many of your own class either first or second are acting?—The figures are in the table on paragraph 8. To act in a superior capacity used to be looked upon as a stepping stone to promotion, but the abuse of the system has now caused it to be generally looked upon as a roundabout way of reducing the salaries.

25,815. (*Mr. Hanbury.*) Are these 20 per cent. acting continuously?—(*Mr. McCleery.*) Almost continuously. (*Mr. Strickland.*) The case I have given is a fair illustration. I have given that as a fair instance.

25,816. Three years out of four?—Some are acting pretty continuously; some are acting perhaps for 18 months continuously. We submit that the acting system or rather the abuse of it should be abolished, and that the staff should be made equal to the demand made upon it for efficient supervision. Only 3·1 per cent. of the Customs officers in the out-door department are staff officers. In the Excise the proportion is much greater; 11·7 per cent. of their officers are employed on the work of supervision, and rank as staff officers. Their individual salaries are less than is paid to the staff officers in the Customs; but in the aggregate the Excise spend much more upon their staff than the Customs. They spend 20 per cent. of their total salaries for an efficient staff; the Customs less than 12 per cent. In order, therefore, to improve control and remove one of the leading causes of discontent in our department by abolishing the abuse of the acting system, we submit the scheme of salaries in paragraph 11, which will be found to be in accord with the recommendations in respect of Lower Division Clerks contained in the last report of your honourable Commission, and with the classification contended for by the officers of Inland Revenue. There are no officers in our department either in London or Liverpool who have salaries between 300*l.* and 350*l.* The maximum of an examining officer is at present 300*l.*, and the minimum salary of surveyors is at present 350*l.* We practically propose that there should be another and more numerous grade of staff officers at a less salary than the present surveyors; also that an examining officer should rise to a maximum of 250*l.* per annum, and that an assistant should have an increment of 5*l.* instead of 3*l.* as at present. It takes an assistant examining officer 17 years to get to his maximum of 150*l.* A second class sorter at the Post Office gets an increment of 3*l.* 18*s.* per annum, and the assistant examining officers at Liverpool earnestly wish that their annual increment should be increased from 3*l.* to 5*l.*

25,817. (*Chairman.*) Do I understand you to say that your suggestion is that the examining officers who now begin at the bottom from 110*l.* and ultimately attain to the maximum of the first class of 300*l.*, should begin at 150*l.* and that they should go only to 250*l.*, and that then there should be an extra class put in above them of assistant surveyors beginning at 250*l.* and going to 350*l.*?—That is so; for, as a matter of fact, about one half of these first class examining officers are now performing superior duties.

25,818. (*Mr. Lawson.*) Yes, but you said in your statement just now that this salary was on the same lines as that proposed by this Commission for the lower division. You must make a mistake, I think, as you see the minimum salary is very much higher?—(*Mr. McCleery.*) I understood that Mr. Strickland said it applied to the Excise. (*Mr. Strickland.*) It is in accord with it.

25,819. No, it is not. You suggest that the assistant examining officer should begin with a minimum salary of 100*l.*, examining officers 150*l.*, and the assistant surveyors 250*l.* Our recommendation is for a very much lower minimum with regard to the lower division, 75*l.*?—Below the examining officers there are out-door officers, and a man must pass through that grade before he comes to be an examining officer.

25,820. (*Mr. Hanbury.*) Probably you were comparing both the out-door officers and the examining officers with the lower division?—In respect of the scheme, a man entering our service must begin at the bottom of the ladder; you call him an out-door officer, but then a man must be an out-door officer before he becomes an examining officer. (*Mr. McCleery.*) He must begin at 55*l.*

25,821. (*Mr. Lawson.*) But there is no exact correspondence?—Except that it is in accord with the general scheme.

25,822. The maximum is the only point?—(*Mr. Strickland.*) 350*l.* is the maximum. The hours are rather longer. The hours of the clerks are seven hours and ours are eight hours.

25,823. (*Chairman.*) Have you compared at all the present arrangement of examining officers (keeping yourselves to examining officers and assistant examining officers) in a financial point of view with any system that you propose?—I did just rough it over, and I could only compare what the minimum might be. Then I should have to presume how many surveyors they would appoint. (*Mr. McCleery.*) Assistant surveyors. (*Mr. Strickland.*) The surveyors came in for the purposes of comparison.

25,824. What per-centage do you say? I see that in your statement of examining officers in the table which you have alluded to on page 2, you say that there are 11 first class examining officers acting as surveyors, and only one of them has 40*l.* a year for doing so, and the other 10 get nothing; and then there are 13 other first class examining officers who are "performing "duties of supervision required by Code paragraphs "81–2 to be performed by surveyors or supervisors"?—Yes.

25,825. So that there you have 24 first class examining officers out of 38. Do you suggest that any portion as large as that should be made assistant surveyors, or what per-centage do you think would appear to be fair?—If you take 20 assistant surveyors (taking the present staff of surveyors as it stands, I did not presume to alter that) at 250*l.* and 100 at 150*l.* and 80 acting at 100*l.* it would give a minimum salary, including the present staff of surveyors, of 34,620*l.*, which is much about the same thing as the classification of 1883 given on the first page of our statement.

25,826. (*Mr. Hanbury.*) There you gave us the minimum salary?—Yes.

25,827. Would you be able to compare the maximum salary under your scheme with the present maximum salary, which you have given us already?—It was only suggested to me recently that the question might be asked, and I just roughed the minimum for comparison with that, as to whether it would be a saving or not. I have the minimum in pencil here of the classification at paragraph 3. The minimum of that scheme is 34,610*l.*

25,828. (*Chairman.*) Then, taking the same numbers and re-classifying them in accordance with your suggestions on page 3, paragraph 11, you say there is not much substantial difference in the minimum?—There is not, but that is assuming that they would give the same number of first, second, and third class surveyors in addition to the assistants. I have not presumed to reduce them in my estimate. If the number of first, second, and third class surveyors was reduced, then, of course, you could make it less.

25,829. That new classification of officers that you give assumes that the surveyors of first second, and third class are the same in number, and that 20 assistant surveyors are added, and that the number of examining officers of the first class is reduced to 18?—No; abolished entirely.

25,830. That the total number of officers should be, for the purposes of this arrangement, the same as now, but that they should be subject to the salaries which you set out there on page 3?—Yes.

25,831. Then can you compare the maximum?—(*Mr. McCleery.*) The maximum in 1883 was 55,820*l.* and the present maximum is 49,830*l.*

25,832. (*Mr. Hanbury.*) Now what we want to get at is, what would the maximum be under your proposed scheme?—So far as I can see with a rough calculation just now, the maximum would be from 44,000*l.* to 48,000*l.* I have just pencilled it out in the margin.

25,833. That is less than at present?—That is less than the present total maximum, but I have not included the surveyors.

25,834. (*Mr. Maclure.*) That is not calculating the salaries of the first, second, and third class surveyors?—No; we presume that the addition of this class of assistant surveyors would necessarily do away with some of the present classes of surveyors.

25,835. Some of them?—Some of them would in fact possibly abolish distinctions between 1st, 2nd, and 3rd classes of surveyors.

25,836. (*Mr. Hanbury.*) That is what I want to get at. In 1883 there were 214 examining officers, surveyors, and inspectors, at maximum salaries of 55,820*l.*?—(*Mr. Strickland.*) That is so.

25,837. Now there are 214 examining officers, surveyors, and inspectors at maximum salaries of 49,830*l.*?—That is so.

25,838. I want to know how many officers there would be and what would their maximum salary be under your scheme?—I calculate that the number of

Mr. J. Strickland and Mr. J. C. McCleery.

12 Mar. 1889.

officers and the minimum and maximum salaries would compare as follows :—

Rank.	No.	Minimum Salaries.	Increment.	Maximum Salaries.
Existing Staff and Salaries:				
Inspector - - -	1	(Aggregate) 600	—	(Aggregate) 700
„ Assistant - -	1	560	—	590
Surveyors - - -	14	5,460	—	6,300
Add proposed classification:				
Assistant Surveyors -	20	(Each officer) 250	10	(Each officer) 350
Examining Officers -	100	150	10	250
„ Assistants -	80	100	5	150
Classification Totals:				
Proposed scheme as above	216	34,620	—	51,590
Classification of 1883 -	214	34,610	—	55,820
Present classification per estimates for current year.	214	32,290	—	49,830

25,839. (*Mr. Maclure.*) The basis of your argument is this, that by this new arrangement you would be able to reduce the number of first class examining officers, and you would make an economy there?—Yes; the majority are at present performing staff duties. Place them on the staff and abolish the acting as far as practicable. (*Mr. McCleery.*) And there would not be two classes of examining officers—simply one. (*Mr. Strickland.*) It would increase the number of prizes and make them a little less in value.

25,840. (*Chairman.*) I was going to say that appears to me to be the gist of the thing: that it increases the number of the principal officers, while at the same time it diminishes the money value of them to some extent?—Yes.

25,841. Perhaps you would kindly go on?—Under request in paragraph 15 we have had a concession which has been thankfully received. An officer in the out-door department has been promoted to be collector. The next part of the petition refers to the hours of labour. (*Mr McCleery.*) With reference to the hours of labour, which is touched upon in paragraphs 16 to 22, I might be allowed to say that the legal hours, according to the Customs Consolidation Act, are 8 to 4 in the summer and 9 to 4 in the winter; but in October last the Board of Customs issued an order, on which I think you will see an inspector's order in Appendix 2 to our statement. This order which the Board issued practically extended the hours to 6 a.m. to 6 p.m. all the year round. The terms of this Board's order were promulgated by means of an inspector's order, and that inspector's order the officers loyally carried out; but they combined together and presented a petition to the Board of Customs asking them not to alter or to extend the old hours. The Board replied to that memorial by stating that no officer would be required to give on the average more than the number of hours hitherto required of him without payment of overtime. This answer, I may say, is somewhat ambiguous for this reason, that the hours formerly worked were irregular and depended a great deal on the class of cargo which a vessel was discharging. That is, if a vessel was discharging, say, free goods from 6 in the morning to 6 at night an officer might be compelled to give 12 hours' attendance; but if they were discharging dutiable goods he would only be compelled to give eight hours without extra remuneration, and the remaining four would be paid for. But the Liverpool officers, while they are distinctly under the impression that the present varied hours are a hardship, are not disposed to throw obstacles in the way of a fair understanding being arrived at, and what they want is this: that the Treasury should issue a minute limiting the hours all round—at warehousing, waterguard, or other duties—to 7 in the winter and 8 in the summer; and when officers are required at abnormal hours, that is, before or after the legal hours, that they should receive some compensation for the inconvenience. As an illustration, I may say that an officer working from 6 in the morning till 2 in the afternoon, while he would only work eight hours per day will have a much more inconvenient attendance than an officer working, say, from 8 in the morning till 4 in the afternoon. Working at 6 in the morning means leaving home at from 4 to 5 a.m., and we think for this there ought to be some compensation granted.

25,842. (*Chairman.*) You mean that the Treasury minute should say that eight hours should be the normal work in summer and seven in winter, and that those hours should be at a comfortable time of day?—Not necessarily.

25,843. That was your point, was it not; that is to say, that they should be between the fixed hours beginning at 8 and 9 respectively, and that if you are called upon to go at 6 there should be some consideration for the inconvenience?—Yes, that is our argument.

25,844. Because formerly there has been overtime paid for the attendance at those hours?—That is so.

25,845. (*Mr. Hanbury.*) If you only worked between the hours that you name at some period of the day, I suppose, there would not be work for all the officers, would there?—I think there would be. Of course the ships are always at work during those hours, but, as a rule, in Liverpool they work from 7 in the morning till 5 in the evening. It is impracticable in the Customs to say that work will only commence at such a time and finish at such a time. That is absurd, because we are obliged to consider the necessities of trade. We are bound to give attendance, but we certainly think that when we give attendance at such inconvenient hours we ought to be compensated for it.

25,846. (*Chairman.*) If you were called upon to act as an examining officer to give attendance at the normal hours from 7 to 5, would you receive no recognition of that? That means an extra hour?—It means two hours extra. We consider 10 hours average is altogether too long, particularly as we are not allowed any hour for meals.

25,847. You mean to say that you would have no time for meals between 7 and 5?—Yes.

25,848. As a matter of practice, how would it be worked? Supposing a ship were in Liverpool and the duties of examining officer had to be exercised between the hours of 7 and 5, would it be done by two of you coming and going or how?—The way it is being worked at present is that there are two officers, say, at adjacent stations on which there are ships working from 7 to 5; one officer comes down at 7, and he stays till 3; that makes an 8 hours day; the other comes down at 9, and he stops till 5; that makes an 8 hours day.

25,849. If there is only one ship, how is it managed?—There must be cases where there is only one ship discharging, perhaps not at Liverpool?—Even when a ship is not discharging there are always deliveries of former cargoes going on that an examining officer has to superintend, examinations of cargoes, and so on.

25,850. Then, practically, there is no difficulty in arranging, according to you, for the eight hours' system?—There is this difficulty, that between the hours of seven and nine in the morning, and between the hours of three and five in the evening, one officer has got to do two officers' work.

25,851. Then I am asking you what you suggest by way of getting over that difficulty from the point of view of the examining officer. What does your suggestion that you make to us about hours come to, when you come to deal with a particular question of dealing with a ship between seven in the morning and five in the evening?—That, of course, is a departmental detail upon which I would not care to make a suggestion.

25,852. You are making very important suggestions for departmental improvement, and trying to improve your own position very properly, and, of course, I am rather anxious to find out how the particular case of this ship is to be worked, and we want you to suggest how it should be done?—(*Mr. Strickland.*) The scheme is worked out by the overlapping system, and we cannot propose anything better. We throw no obstructions in the way, but it is a very difficult scheme to carry out, and many heads have been at work to try and make it practicable. Not being the authors of the scheme, we cannot presume to suggest how it could be worked.

25,853. (*Mr. Hanbury.*) But, as I understand, the defect of the overlapping system, according to your contention, is that we will say from 7 to 9 in the morning, and from 3 to 5 in the afternoon, one officer is doing two officers' work; but what does doing two officers' work mean? Is it more than he can do or ought to do?—(*Mr. McCleery.*) Sometimes it might be. Sometimes it might mean that goods that were wanted to be delivered were detained. One officer could not be at two sheds at the same time, and it often, I believe, causes a good deal of grumbling on the part of the merchants that they cannot get their goods away.

I will give you an instance of one dock I have a note of. In the Prince's Dock in Liverpool there are three examining officers. The examining officers attend from 9 in the morning till 5. There is an acting examining officer comes down at 7, and he goes away at 3. That acting examining officer does three examining officers' work between 7 and 9, whatever there may be to be done.

25,854. (*Chairman.*) Is there any complaint on the part of the trade that during these two hours there is an insufficient staff to carry out the work?—There were several complaints that I heard of at the introduction of the scheme, but whether they have been lessened lately I cannot say. (*Mr. Strickland.*) As a matter of fact they have had to introduce additional officers on some of the stations. An officer does not merely take charge of a ship that is discharging; he takes charge of a station and all the ships that may be discharging on that station. A ship might probably have from 10,000 to 30,000 packages in her, which in these days would be discharged in perhaps two or three days into the transit sheds; that is the way the trade is carried on in Liverpool, and his duties are to take an account and see that all these packages are accounted for. It may be some time before they are all away from the shed; although the vessel is discharged, still a great quantity of dutiable goods might be in that shed, and the protection of the Revenue is necessary during the whole of the time. In an officer's station he might have three, or four, or five vessels discharging or none discharging, yet many cargoes to look after.

25,855. Will you please take another point now?—In connexion with the hours question, there is the Sunday and holiday duty. We look upon the Sunday duty in our service as a necessary evil; the protection of health and revenue must go on upon the Sunday as well as upon other days, but we submit that unreasonable concessions to shipping interests have added unnecessary and disagreeable duties to our Sunday duties. For instance, I experienced it myself in 1876. Light dues were levied on deck cargoes, and where there was a Board of Trade surveyor he had to measure them, but Board of Trade surveyors were not on duty on Sunday, and vessels with deck cargoes had their deck cargoes possibly discharged on Monday morning before that officer had measured them. The result of this was that that duty was thrown upon the Customs officers because they were on duty on the Sunday, and they had to measure these deck cargoes. They have done so ever since. In Liverpool cattle ships often arrive. An officer takes the report of these ships on the Sunday; he measures the deck spaces occupied by the cattle on the Sunday, and rummages and clears the ships, for which duty he used to be paid by the merchants until about two years ago, then a concession was made. The duties are still performed, but there is no charge to the merchants. Our contention is that those duties are a hardship; they are not necessary, and they intensify the very disagreeable obligation of being on duty seven days per week.

25,856. (*Mr. Hanbury.*) What proportion of you are on duty seven days a week?—(*Mr. McCleery.*) In paragraph 23 there is one Sunday taken, it was taken quite promiscuously.

25,857. As I make out from that it is about 10 per cent.?—It would be about that. (*Mr. Strickland.*) We would rather not perform Sunday duty, but we submit that about the best protection we can have against the infliction of it is that when it is discharged it should be paid for.

25,858. (*Chairman.*) At present there is no payment you say?—We do not say that we want the money; we would rather not do it, but as a protection against the infliction of it we think the best method is that it should be paid for.

25,859. Is there any allowance now for Sunday pay?—(*Mr. McCleery.*) Not to examining officers.

25,860. (*Mr. Hanbury.*) Is there to the out-door officers and boatmen?—The out-door officers are allowed a shilling every Sunday they are on duty. (*Mr. Strickland.*) The Sunday duty intensifies the discontent of officers when promotion is retarded. The junior officers generally perform this duty, and if a man is on duty, say, seven days per week for an extended length of time he feels it a very great hardship indeed; in fact, he feels it—I can speak from experience—as much as the loss of promotion. A man wants his Sundays at home and to be like other people.

25,861. (*Chairman.*) But a certain amount of Sunday work you say is necessary?—To protect the Revenue and public health, to perform quarantine duties, and also to see that there is no smuggling going on.

25,862. And when it is performed by an examining officer you suggest a payment, what is the kind of payment that you suggest for Sunday duty? You do not mention that in your paper? What was paid formerly by the merchants for the service?—(*Mr. McCleery.*) 12*s.* per day (*Mr. Strickland.*) There is a fixed scale for holidays and Sundays. (*Mr. McCleery.*) It was the examining officers who received 12*s.*

25,863. (*Mr. Maclure.*) These terms still maintain, do not they; they have not altered them, have they? I thought the merchants paid in an indirect way now?—(*Mr. Strickland.*) Not in the case that I mentioned, that has been an additional concession. The pressure brought to bear of course is considerable, and concessions are made one by one, and, we think, unfairly so.

25,864. (*Mr. Hanbury.*) Let us understand clearly. Do you mean that till recently the examining officers got paid by the merchants?—(*Mr. McCleery.*) For certain duties on Sunday. (*Mr. Strickland.*) Mentioned in our paper.

25,865. Now no extra payment is received for Sunday work?—(*Mr. McCleery.*) No, not for these duties. (*Mr. Strickland.*) Not for the same work. It is referred to in paragraph 24.

25,866. (*Mr. Lawson.*) When were these payments discontinued?—(*Mr. McCleery.*) In 1887, I believe.

25,867. (*Mr. Hanbury.*) Was the Sunday you have mentioned an average Sunday?—It was taken promiscuously.

25,868. And it was the last Sunday before you sent in this statement?—Yes, we sent this statement in at the end of November, and this was taken the Sunday before it was written out.

25,869. You have no doubt that it represents a fair average?—(*Mr. Strickland.*) Yes, no doubt; it does not fluctuate much. (*Mr. McCleery.*) I might remark, regarding Sunday duty, that the Post Office officials in London receive extra payment for their Sunday duty.

25,870. (*Chairman.*) Do I understand that an examining officer never gets any payment whatever for any services that he is called upon to do on a Sunday; never anything at all for any services on a Sunday? If you were called upon, Mr. Strickland, to do any Customs duty on a Sunday of any sort which an examining officer might properly perform, would you under any circumstances get any payment for so doing it on a Sunday?—If I was specially ordered down for baggage duty I should be paid for attendance on a special steamer, and waiting there to pass baggage.

25,871. You named a vessel arriving with foreign cattle?—That is a concession that has been recently made to the shipping interests, it was made a year or two ago. (*Mr. McCleery.*) We should not be paid for that duty now. (*Mr. Strickland.*) That has a tendency to increase Sunday duty, which we object to.

25,872. (*Mr. Maclure.*) But you would be paid if a Cunard steamer came in and you were employed on special duty, would not you?—(*Mr. McCleery.*) We would be paid to examine the baggage if we were specially ordered down.

25,873. For the baggage?—For the baggage.

25,874. Then the payment for the cattle landing on Sundays is abolished and the payment for the baggage still remains?—There is now no extra payment for cattle landing on Sundays. We still get paid for the examination of baggage on that day. (*Mr. Strickland.*) Except the officers who might be on duty on the Sunday as water-guard officers. If they were present and assisted in the passing of this baggage they would get nothing, but when they want a special staff down for a very large number of passengers the company pay those who go down specially. For ordinary purposes the staff of officers on water-guard duty on the Sunday is sufficient and then there is no charge made for it; they perform the duty; they pass the seamen's baggage, for instance; they would take the duties on anything dutiable, and if there were a few passengers they would also do the same thing in respect of the passengers without any charge.

25,875. (*Chairman.*) If an examining officer goes down specially to measure the cattle spaces on a cattle boat he would not get anything for it, would

Mr. J. Strickland and Mr. J. C. McCleery.

12 Mar. 1889.

he?—(*Mr. McCleery.*) He would not be asked to go down specially; that duty is now left to the examining officers who are on water-guard duties on Sunday.

25,876. Then I do not understand what duty an examining officer does on Sunday, except the special duty of examining the baggage on Cunard steamers, which I understand is paid for. What work can you be called upon to do on a Sunday?—(*Mr. Strickland.*) There is the quarantine service. Every vessel must be boarded, and an examining officer does that. He must attend to the laws and regulations of quarantine. They are always on duty for that. If the crew of that vessel wanted to land and have their baggage passed he would also attend to that. That was generally the limitation of the officer's duties; that is what he was there for, but finding it would be a convenience to the merchants as this man was on the spot, and a number of other officers, for the performance of these duties they have also added the receiving of the report of these cattle ships and the measurement of deck spaces, and that has thrown it on all these officers and relieved the merchants from the charge.

25,877. I think we have got sufficient, perhaps, on that point?—(*Mr. McCleery.*) I do not think there is anything we need take up your time with from paragraph 25 onwards to 30. Superannuation has been already pretty well dealt with, I presume, and so has the question of retirement. Paragraph 30 is rather an important paragraph as to the way the characters of the officers are inquired into. When an officer has any complaint made against him he seldom knows of it.

25,878. We have had that from the outdoor officers also. I presume your case is exactly similar. We have been told the general wish is that as in the Excise service, or what is believed to prevail in the Excise, if any mark is made against a man's character he should be informed of it at the time, and given an opportunity of explaining in case there should be a mistake. I think I understand that you urge the same point?—(*Mr. Strickland.*) Yes, he should know distinctly the charge against him in writing, and we think also he should have the sentence in writing.

25,879. (*Mr. Hanbury.*) Does he never know now when complaints are made of him?—(*Mr. McCleery.*) Not until his salary is stopped, or something of that sort, and that may be months after the charge has been made.

25,880. You mean when his increment is stopped?—When his increment is stopped. As an example I might say several officers were ordered to be removed from Liverpool only a week or two ago, and no charge whatever was made against them.

25,881. (*Chairman.*) What is that an example of?—Simply that they were punished by being ordered to remove from Liverpool; they were not removed under sentence nor were they removed for the purpose of reducing the staff. It was understood at the time that these officers were moved, or were ordered to be removed, because they took somewhat of a prominent part in the recent agitation against the new hours; but that charge was not made against them in any way; they were simply ordered to remove from Liverpool, and they were not told why they were so punished.

25,882. (*Mr. Hanbury.*) I suppose they are often removed even when there is no charge?—The exigencies of the service sometimes necessitate that. In the instance referred to, however, the exigencies of the service could not account for the removals.

25,883. (*Chairman.*) We understand that point, I think?—(*Mr. Strickland.*) We should like to hand in an extract from the Army Regulations which we think will satisfy our officers if adopted.

25,884. Is there any other point that you wish to call special attention to?—There is a point relating to the travelling expenses, but it has been referred to in connexion with the inconvenient hours of attendance.

25,885. (*Mr. Maclure.*) That would be a very difficult matter, would not it, in Liverpool; what you call the inconvenient hours; when you have to go the length of those docks?—(*Mr. McCleery.*) The docks are about 7 miles long.

25,886. I know the docks as well as you do, and I might say it would be a very awkward thing to arrange anything at those inconvenient hours, with reference to travelling expenses. How can you get there, tram cars do not go down at these early hours?—(*Mr. Strickland.*) They do not, and an officer frequently has to walk 5 or 6 miles.

25,887. Unless you took a cab you could not get down to the extreme end by conveyance?—(*Mr. McCleery.*) No. (*Mr. Strickland.*) We have to walk in many cases.

25,888. What you want the allowance for is for the labour and the time?—Some consideration for the time.

25,889. If you have to go in the very early hours that means 1½ hours' walk, because there are no tram-cars or anything of the sort running?—(*Mr. McCleery.*) Fully that.

25,890. And some of the large docks for the American steamers are at the very extreme end, are not they?—(*Mr. Strickland.*) Yes.

25,891. I think that really embraces all the points that are in the paper?—Yes, there is only a minor point mentioned by the officers. It is the abolition of the uniform. We do not see the necessity for it. The Excise can dispense with it, and except when a man is examining baggage on a large passenger steamer we do not see what use it is.

25,892. Is there any real objection to it?—(*Mr. McCleery.*) It costs us examining officers I should say 4*l.* or 5*l.* a year, and it is really of no service whatever. When we are engaged on dock duty everybody in connexion with the docks knows who we are, and I think on preventive duty a person in private clothes has a far better opportunity of effecting seizures.

25,893. (*Mr. Hanbury.*) Is no portion of the uniform found?—(*Mr. McCleery.*) No. (*Mr. Strickland.*) Not for examining officers.

25,894. (*Chairman.*) And is no allowance made for finding it?—No allowance is made, and in the vaults and on clerical duty it is quite useless; in fact, we are allowed to be on clerical duty without wearing it.

25,895. Does it cost more than an ordinary civilian dress?—(*Mr. McCleery.*) Yes, considerably.

25,896. But it wears better, I presume?—You cannot wear it more than 12 months, I think, if you wish it to remain anything like respectable. (*Mr. Strickland.*) Blue wears worse than other colours, I think. (*Mr. McCleery.*) The amount of gilt about it makes it very expensive.

25,897. I suppose after all it is principally an objection on the ground of the cost it is to the examining officer?—That is one objection. (*Mr. Strickland.*) Many do not like to wear it. (*Mr. McCleery.*) There is a certain amount of sentiment against the wearing of it. (*Mr. Strickland.*) In many duties the dress is inconvenient.

25,898. (*Mr. Lawson*) How could you have it for one duty and not for the other?—(*Mr. McCleery.*) We are sometimes engaged on baggage duty for a few months, and then do not go on it again for another four or five years.

25,899. Then you would be put to the expense of having a double set, your uniform and your private clothes?—Yes; but the one uniform would last five years, whereas at present it only lasts one. (*Mr. Strickland.*) In America officers have a badge I understand for the baggage duty. If their authority is questioned they have it with them, and they exhibit it, and it answers its purpose.

25,900. (*Chairman.*) Have you anything more?—(*Mr. McCleery.*) Would you allow us to hand in this statement which we sent to the House of Commons on the extension of hours (*handing in same*).

25,901. (*Mr. Lawson.*) I understand that you wish the recommendation of the Civil Service Commissioners with regard to the optional retirement at 60, and compulsorily retirement at 65, to be extended to you?—Yes. (*Mr. Strickland.*) At 60, or after 40 years' service.

25,902. Is that to facilitate promotion?—Yes, if it was compulsory.

25,903. Not on the ground of the unfitness of the men at that time of life to perform their work?—(*Mr. McCleery.*) I think on both grounds; we consider that when a man reaches 65 it is time he was making way for younger men.

The witnesses withdrew.

Mr. George Mayston and Mr. George Smith O'Loughlin called and examined.

25,904. (*Chairman.*) You represent the examining officers of the Customs at the out-ports generally, as I understand?—(*Mr. Mayston.*) Yes.

25,905. What out-ports do you speak of?—All ports except Liverpool and London.

25,906. We have had a statement from the examining officers at London, and they stated that they represented 42 ports besides, so that I daresay the points to a certain extent overlap?—Some of them probably do.

25,907. Perhaps you would kindly call our attention to the particular points upon which you lay most stress in this paper that you have sent us?—The first point is the question of salary. We believe that our work is of such a nature as to be at any rate equal to that which is performed by the ordinary clerk. The ordinary lower division clerk proceeds at present to 250*l.* a year with seven hours' attendance per diem, and for special services or special merit he obtains duty pay of 100*l.*, making his salary altogether 350*l.* Besides that we have to give one hour per diem extra for eight months in the year, and an equal time for the remaining four months of the year. Apart from that, too, we have to provide a uniform. We have greater wear and tear. Since the drafting of the statement I may say that we have read your report with reference to the pay that you proposed should be given to the clerks, that is, that they should go to 190*l.*, I believe that is the amount, and then if merited, they shall proceed on to 350*l.* We thought that ours is practically a similar recommendation. We recommend for the second-class examining officer that it should go from 110*l.* by 7*l.* 10*s.* per annum for eight years, and then by 10*l.* per annum to 250*l.* At the out-ports we are rather differently placed to what clerks in a London office would be, inasmuch as we are under so many different people, so many different heads. We have different collectors, and these different collectors of course have different opinions as to officers' merits, and we are inclined to the belief that the maximum salary of 250*l.* should be a fixture, and that those who go above it should be promoted solely because of merit.

25,908. The second-class examining officer now goes to 220*l.*?—Exactly.

25,909. And you propose that he should go to 250*l.*?—Yes.

25,910. And that the examining officer of the first class should go to 350*l.*?—Yes. I would like here to point out that the first-class examining officer really does duties which are above those of an examining officer. They are actually surveyors' duties to a very great extent; a large number of them are acting surveyors, so that they do work of a really superior nature. We have a code of warehousing regulations, of course, which governs the two departments, the Excise and the Customs. In that code the words "surveyor" or "supervisor" are used. Really speaking the "surveyor" is in half the number of cases a first-class examining officer.

25,911. Some idea was put before us that there might be a new class formed of assistant surveyors?—That would practically amount to the same thing, with the exception that there would be an alteration in title.

25,912. And another proposal coupled with that was that there should be only one class of examining officer at a lower salary than you suggest, and that the assistant-surveyors should begin at 250*l.*, rising to 350*l.*, and that practically there should be a larger number of better paid posts while the highest posts should not be quite so highly paid. If some scheme of that sort was possible, and it would give more promotion to gentlemen in your class, would that meet your view, do you think?—There is no doubt that is a great drawback, the want of promotion.

25,913. You insist, as the others do, upon the fact that the change in your prospects has been caused by the abolition of so many posts that you naturally would have looked to?—Exactly, I may say here that great numbers of us were induced to take upon ourselves the position of examining officer because of the higher positions that were at one time held out to us. A large number of the examining officers at the outports entered the service as clerks. In the great change of 1882 to 1884 they became examining officers, with slight increase of salary to cover increased attendance, and, of course, the classification under which they became examining officers was very much better than it is now.

25,914. The prospects of an examining officer were better then?—Yes, the prospects were.

25,915. Would you take any other point that you specially desire to bring forward?—There is another point, that is the point of the collectorships. The examining officers at the out-ports feel that the collectorships should be thrown open to the whole of the service. There has been recently a case where a surveyor in the port of London has been promoted to be collector at Dundee, and some time since there was a case of a gentleman who was formerly a clerk and had become an examining officer. He was made a first-class superintendent. And there was a case at Wexford where a second-class examining officer was made a superintendent. Those are the only cases, but we believe that it should be known throughout the service that the collectorships are thrown open to the whole of the body.

25,916. That was, I think, a recommendation that was made in the Playfair Commissioners' Report?—Yes, it was in the Playfair Commissioners' Report.

25,917. You say that has not been carried out except to the very limited extent that you have just told us?—Exactly. The examining officers' duties are scarcely known sufficiently by gentlemen outside the service, but they are very, very various. We have, for instance, the Merchandise Marks Act. We are the first officers who take that matter in hand. With these goods coming into the country, we are supposed to see that they are really in unison with the Act. And then, again, we have to deal with quarantine matters. We are really the advance guard in that matter, for the prevention of disease being brought into the country.

25,918. Have you, Mr. O'Loughlin, anything that you would like to add to what your colleague has said?—(*Mr. O'Loughlin.*) No, but I think, with reference to the classification that at present exists of what I call the examining officers, the salaries that they have will not admit of even a lesser number of that class, for the work that they have to do is of a very responsible nature, and there seems to be a disposition latterly to employ a lower grade of officers to perform that work at a salary which is not at all consistent with the class of the duties that they have to perform. There are a great number of men in the receipt of 67*l.* or 68*l.* a year who are doing the work of an examining officer. As I was coming across from Dublin yesterday I met an outdoor officer who was acting as an examining officer at a salary of 66*l.* a year, and he has the most responsible duties possible to perform in the course of his daily work. Perhaps there is no other department of the whole service where there is such a facility for fraud as there is in the case of the examining officer in assessing duty for the collection of the revenue. The check is very limited, and I think it is very injurious to the service and very injurious to the revenue, owing to the temptation it lays men open to, when you ask men with that salary to perform such very special duties.

25,919. (*Mr. Hanbury.*) You say the check is very limited, what check is there?—A surveyor coming down to visit you twice or three times in the day.

25,920. So that there is a very fair opportunity for fraud?—Yes, very fair opportunity. I believe, speaking of the whole service as a body, there can be very few stains pointed out through any of the officers having committed any frauds; but nevertheless a man with perhaps a large family and a small salary is open to temptation, and temptation is really the cause of a great many of the crimes that are committed. There is nothing to prevent an examining officer of Customs if he enters into collusion with the merchant when assessing his duty charging him a less duty than he is entitled to pay.

25,921. And the chances of his being found out are not very great?—They are not very great. In fact, in some ports they are nil. The chances of a surveyor coming to visit you unexpectedly are very small. In small ports, such as the port that I come from, the surveyor has not time to come and visit you frequently. The collector has to act as surveyor, and he comes round in the morning, then he has to go to two other stations, and he will go from one to the other; and a man knows or hears when he is coming. Having performed this duty properly with what is required of him

Mr. G. Mayston and Mr. G. S. O'Loughlin.

12 Mar. 1889.

as collector, he cannot make many unexpected visits. I have known a surveyor to come as regularly as the clock.

25,922. Do you mean that he always goes to the same offices at the same hours?—The offices are very near to one another, and we know when he has gone into one he is likely to come into the next office. He has to come to check the books, and there is no inspection of the goods at all, unless when he comes to check the book if there is anything going out he may check it and he may not. Of course he frequently checks the goods in the warehouse.

25,923. Is this checking of the books a sufficient guarantee against fraud?—No, it is not sufficient guarantee at all.

25,924. (*Chairman.*) What you are now upon is you say that outdoor officers should not be employed so much to do examining officers' work?—Quite so; and it was with reference to your suggestion that there should be a lesser number of smaller paid posts as examining officers and a greater number of better paid posts as surveyors.

25,925. I think you misunderstood me. It was a suggestion that was made to us by the examining officers of the port of Liverpool, to the effect that if a class of assistant surveyors was created to be permanent officers, and to which presumably examining officers, who now do surveyors' work as acting surveyors, would be appointed, then the class of examining officers might be to a certain extent reduced, the total number of officers as between examining officers and surveyors remaining the same, but the pay not being quite so high and more promotion for them. It did not refer to outdoor officers below at all?—Quite so; but of course the effect of promotion goes through the whole gradation of officers. And that class of officers absolutely exists at present, only under a different name, inasmuch as the first-class examining officers are perhaps 80 per cent. of them employed in performing duties that ought to be only performed by assistant surveyors or by surveyors.

25,926. The object of the proposal that was made to us was to improve the position of the examining officers by increasing their salaries, especially when you remember, as you say, that a good many of them are doing surveyors' work?—Quite so; for example, with reference to that suggestion that has been offered to you, there are 38 first-class examining officers at Liverpool; 21 or 22 of them are employed on surveyors' duty at present, so that if you carried out your suggestion it would be simply to take that 21 or 22 off the 38, put them into an assistant surveyor's class, and put the balance into the examining officer's class.

25,927. Would not that be an advantage to the examining officer?—I think only partially; it would be an advantage to the general body; they would go to the higher salary, but would not have a chance of promotion solely on account of merit. At present a man with average ability looks forward to become a first-class examining officer, but may not be selected for a higher post as a surveyor. Hitherto his chances have been better, because he went to 300*l.*, but now he would only go to 250*l.*

25,928. Do you mean to say that it would not be an advantage to an ordinary outdoor officer who rises to be an examining officer to know that if he rose to be an examining officer of the first class he would have the opportunity, if he did good service, of becoming an assistant surveyor at a salary of 250*l.*, rising to 350*l.*; would not that improve his prospects?—Of course it would, but the inducement of increasing the salary of a second-class examining officer going to 250*l.* to a man of merit that particularly deserves promotion is no inducement whatever, as he would hope and expect to get out of that class of examining officers long before he reached the maximum of the salary.

25,929. You mean he would, under the present system, have a chance of becoming a surveyor?—Quite so, or rather first-class examining officer, before he reached the maximum of that salary.

25,930. Then, in your view, you do not think that this proposal which is made to us by the examining officers of Liverpool, so far as I have put it before you, of much good to the service?—(*Mr. Mayston.*) Might I ask what would be the maximum the examining officers recommended at Liverpool?

25,931. Of the examining officer, 250*l.*?—Do they suggest that the assistant surveyorship should commence with 250*l.*?

25,932. The suggestion is this, that the assistant examining officers should begin at 100*l.* and rise by 5*l.* to 150*l.*, remaining much the same as they are, except with an increment of 5*l.* instead of 3*l.*; that the examining officers should form only one class, and they should begin at 150*l.* and go by 10*l.* to 250*l.*, and that there should be a kind of upper class really of examining officers, called assistant surveyors, beginning at 250*l.*, and rising by 10*l.* to 350*l.*?—(*Mr. O'Loughlin.*) That is practically the same thing as the out-ports suggest. There is very little difference between them. The reason we have not suggested the change of name is simply because there is no object of adding a class to the surveyors and taking a class from the examining officers.

25,933. The idea was partly that that would diminish the number of surveyors, but you say that does not practically differ from you; still you would call examining officers first and second class, but practically they would have pretty much the same salaries as they suggest?—Yes, pretty much the same salaries as they suggest.

25,934. (*Mr. Hanbury.*) Only it would better represent the work that they are actually doing?—Quite so, it would do that. (*Mr. Mayston.*) The only difference is in the title. We stick to the title of first-class examining officer.

25,935. (*Chairman.*) The title would not stand in the way if the pay was there, no doubt?—No.

25,936. (*Mr. Hanbury.*) But the title would correspond with the work which it does not at the present moment?—Yes. (*Mr. O'Loughlin.*) Then this scheme we suggest applies to surveyors. As examining officers we feel that in making a classification one must make a classification for the others also, so that the salaries would not be lower.

25,937. (*Chairman.*) You suggest something with reference, you say, to increase of salaries in the surveyors?—Yes. (*Mr. Mayston.*) We ought to point out that so far as the out-ports are concerned there are really four classes of surveyors. In Liverpool and London there are three—first, second, and third class—at present. The out-port surveyor commences with 300*l.* a year, and rises to 340*l.* The third-class surveyors at Liverpool commence with 350*l.* and rise to 410*l.* An out-port first-class examining officer would be made probably at an out-port a third-class surveyor; he would then in the course of a few years be transferred, possibly to Liverpool, as third-class surveyor still (but with higher salary), and then in the course of time he would receive promotion to second class; and then again so the first, so that practically the out-port surveyor is very much behind the surveyor in Liverpool and the surveyor in London. He has to wade through three classes before he can reach the first of the surveyorships. As a proof that that is the case, I might say that at Hull and at Glasgow there were two gentlemen who were transferred to London; they were first-class surveyors. On their transfer to London they were put into the second class of surveyors, thus showing that the Board believed or saw that the second-class surveyorship in London was equal to the first-class surveyorship at the out-ports. So that those gentlemen have really to go through the three classes before they can reach the first class of surveyorship as it exists in London and Liverpool. You will find that there is a difference in the salaries between the out-ports and Liverpool and London, that we believe to be radically wrong.

25,938. Then the suggestion you make is intended to obviate that?—That is with reference to the two classes of surveyorships.

25,939. Second-class surveyors, 360*l.*?—We recommend that there should be two classes of surveyors right through the United Kingdom; the second going up to 420*l.*, I think it is, and the first up to 550*l.*

25,940. As you say, that is a little bit outside your own province, because you have not yet had experience of the position of surveyors, although you naturally look forward to have that?—Exactly so; we look forward to have that.

25,941. And it is therefore very natural that you would like to see the position of the surveyors improved?—It follows as a matter of course if we recommend the improvement of the first-class examining officer or assistant surveyor. If you alter the one set we must of necessity recommend the increase of the salary of the surveyors. (*Mr. O'Loughlin.*) Or else you would have the officers having different ranks with the same salary. (*Mr. Mayston.*) I would like to point out

another absurdity—it really is an absurdity—an examining officer, we will say, gets up to 220*l.* a year before he is promoted; he happens to be promoted to a place, say Dover, as a first-class examining officer. He goes away on precisely the same salary. He receives 220*l.* and he rises by 10*l.* a year to 300*l.*; but his first year is precisely the same as the year which he has left.

25,942. That is true, but is not it the fact that he has got into a fresh class, with a right to rise by 10*l.* to 300*l.*, whereas he might have stayed at the sum of 220*l.*? Is not that part of your case that you desire to get rid of the inequality, and adopt a service scale?—That is one part of the scheme; but I am only pointing out the absurdity of letting the man go away without an increase.

25,943. (*Mr. Freeman Mitford.*) You want to see a difference between the minimum of one class and the maximum of the other?—Yes.

25,944. (*Mr. Hanbury.*) I see that under the present system the maximum of the assistant examining officer is very much higher than the minimum of the second class?—Yes. (*Mr. O'Loughlin.*) That is a very incongruous state of things. It is possible to have an examining officer of higher rank and the assistant of lower rank with a considerably better salary. The same thing exists with reference to the superintendent; the minimum of the superintendent is 190*l.*, and he may have an assistant officer under him who has 220*l.* (*Mr. Mayston.*) I might say, perhaps, that the assistant examining officers were formed in order to give promotion to the older class of officers; those who had not been able to pass the competitive examination for the examining officership. The examining officers, as a rule, are much younger men than the assistant examining officers. Outdoor officers are not permitted to become assistants until they have been some considerable time in the service.

25,945. Then the assistantship is not a stepping-stone on the part of the outdoor officer to the examining officer?—Not altogether; but it is not a bar to promotion to the examining officership.

25,946. It is a kind of little promotion to those who could not expect to get any higher?—Exactly, to those who really could not pass the competitive examination for examining officer. The examining officers, before they become such, have to pass an examination. I may say that the reason given for the assistant class is precisely what one of the late members of the Board told us at Portsmouth. At times there may be a young man who becomes an assistant examining officer, but that is altogether an exception.

25,947. (*Mr. Freeman Mitford.*) Then, as a rule, does a young man skip that grade altogether?—He does not enter the grade.

25,948. He skips that grade altogether?—Yes; he goes into the examining officership at 110*l.* per annum.

25,949. He becomes a second-class examining officer?—Exactly.

25,950. (*Mr. Hanbury.*) That is a sort of consolation grade for old outdoor officers then?—That is practically what the assistant examining officership is.

25,951. (*Mr. Maclure.*) You refer to the uniform. Have you any objection to the uniform?—(*Mr. O'Loughlin.*) We would like it if the Government would pay for it.

25,952. If the Government would pay for the uniform do you think it would be an advantage?—I do not see the advantage at all to the examining officers who are employed on clerical duty or to the officers who are employed on warehousing duty. I think it is rather a disadvantage, for it is a cumbrous and a useless kind of uniform. It is not a tidy kind of uniform by any means, and there is nothing, I should think, so displeasing to the eye as a distasteful uniform. It is an expense, too, compared with what one could buy an ordinary suit of clothes for, which could be worn when doing that sort of work.

25,953. (*Mr. Freeman Mitford.*) I suppose you would wear it for boarding ship?—Yes. I should strongly suggest that it should be continued for boarding ship, but it is quite useless as regards warehousing duty or clerical duty. (*Mr. Mayston.*) At a place like Portsmouth the uniform puts us in rather a queer predicament sometimes, inasmuch as we get saluted when we do not want to be saluted.

25,954. (*Chairman.*) It is taken for a naval uniform, is it?—Exactly. (*Mr. O'Loughlin.*) There is another thing we would ask strongly on behalf of the out-port examining officers, to prevent what seems to be the desire of the London officers, that promotion should be confined to the different ports.

25,955. How do you wish to keep it?—As it has latterly been carried out by the Board it would be general throughout the service. If what the London officers wish was carried out the result would be, to carry the thing to its end, that in ports like Limerick where I came from I should never expect to get beyond what I am. I am at the highest post I can go to there, and the ratio of promotion in the out-ports is so small compared with what it is in London, while the out-port officer has passed the same examination, is performing the same work, in fact has to have a more varied knowledge of the general duties of a Customs officer than a London officer has, for it is very possible you may have an examining officer in London who is employed from the beginning of one year to the end of it at the one particular duty, whilst at the out-port he has to deal with every class, and he has to have a knowledge of them in some way. He is expected to have the Merchant Shipping Act, the Merchandise Marks Act, and all the quarantine regulations at his finger's ends, besides all the warehousing regulations, while in London a man may not be required to know a single think except gauging or perhaps laboratory work.

25,956. I think the suggestion to us of the officers in London was exactly the same as yours, that the promotion should be general throughout the whole service?—(*Mr. Mayston.*) I think that is so now. The London officers have suggested that. (*Mr. O'Loughlin.*) If they suggest that they require an addition to their salaries. (*Mr. Mayston.*) To provide for travelling allowances, or something of that sort, is it not? We are of opinion that if that is granted at all it should be granted solely as a travelling allowance, so much per annum. We do not think that it should count as salary, because we say it should be general right throughout the United Kingdom; the various classes should have precisely the same salary, they have precisely the same duties, in fact, at the out-ports they have sometimes very onerous duties—as Mr. O'Loughlin has just put it—more onerous than would perhaps fall to the London officer for some considerable time.

25,957. (*Mr. Maclure.*) Have you much travelling?—No, we have very little travelling.

25,958. In Limerick you would have none at all?—(*Mr. O'Loughlin.*) None at all.

25,959. (*Chairman.*) But when there is occasion for the officer who is located at any particular part in London or anywhere else to travel some distance to the kind of house that he can get, then naturally you think the money out of pocket should be paid to him?—Quite so. (*Mr. Mayston.*) I am of opinion so. (*Mr. O'Loughlin.*) It is very hard that he should not. At some of the out-ports house rent is very expensive, and what you lose in one way you make up in another.

25,960. Then is your suggestion representing the officers for the out-ports that the Government should content itself with paying the salaries that you recommend and leave officers to take their chance?—Quite so, or else give to the Liverpool and Glasgow and Hull officers who have got as great a distance to go as a great number of the London officers, an equal allowance for travelling. In some of those out-ports they have to go quite as far as London officers.

25,961. (*Mr. Maclure.*) I know Hull very well, and I do not think they have to go great distances there for their houses?—I know that it has been put forward by the officers at some of the ports that they have just the same difficulty in getting houses near the Custom House as the London officers have.

25,962. (*Chairman.*) At all events you would be of opinion that wherever it could be shown that the distances that have to be travelled are considerable, or as considerable as they are in London or Liverpool, that question should be considered by the Government?—Certainly.

25,963. (*Mr. Hanbury.*) Provided it is treated as travelling expenses?—Yes.

25,964. (*Mr. Freeman Mitford.*) How far, practically, do you have to live from the Custom House?—I live two miles away.

25,965. (*Chairman.*) Is there any other point?—(*Mr. Mayston.*) There is one point with reference to the time between 8 and 4. The hours during the summer—on certain duties—are from 8 to 4, and for four months

Mr. G. Mayston and Mr. G. S. O'Loughlin.

12 Mar. 1889.

of the winter they are between 9 and 4. Supposing we were called upon to work longer hours, and supposing at any rate that the exigencies of the service rendered it necessary that longer hours should be insisted upon, or earlier hours, we are of opinion that work performed between 6 and 8 ought to be paid at a higher rate than work performed between 2 and 4. I may say here that the large proportion of the present officers became examining officers when the hours were fixed from 8 to 4, and from 9 to 4, and we are of opinion that any attendance beyond that time should be paid for, and as I just said, attendance between 6 and 8 should be paid at a higher rate than attendance between 8 to 10, or from 2 to 4.

25,966. That is the same point I think that has been brought before us by the gentlemen from Liverpool and other places?—Then we will not travel over that ground again, of course.

25,967. I do not know that there is any particular out-port that it applies to in any different sense from the way in which it applies to Liverpool where, as you are aware, they have made a strong fight for the very point that you are now mentioning?—There are really only four ports at which this has been adopted at present, and that is experimentally. At Liverpool, Hull, Grimsby, and another port (I forget the name). But still, of course, we are told distinctly that it is to be applied to all the United Kingdom. It will come very hard. We will take the case of a gentleman who happened to enter the service as a clerk: he originally gave attendance from 10 to 4. Under the altered circumstances, say he was allured to the examining officership by the prospects of overtime (we must bear that in mind, of course, because we look upon overtime after all as a portion of the salary to be earned). The prospects of the overtime induced him and others similarly placed to give up their more comfortable positions and take upon themselves positions which were not quite so comfortable as the other. Of course, it would be very hard upon those gentlemen if they have to work from 6 to 2, where previously their work was from 10 to 4, and then 8 to 4, or 9 to 4.

25,968. The hours not being so convenient?—Not at all convenient. Some of them will have to change their places of residence; it would be absolutely necessary, they could not help themselves. With reference to the superannuation question, it is hardly worth while our touching upon that, because you have recommended that in your last report.

25,969. You now suggest that practically your views appear to be the same as the views of this Commission were with reference to the clerical service?—That is it, so far as superannuation is concerned.

25,970. The compulsory retirement?—Compulsory at 65, and at 60 if found inefficient.

25,971. I suppose you desire that very much, in order to keep up promotion?—(*Mr. O'Loughlin.*) In order to keep up promotion, and we believe in the end it would be a great saving to the service, for when you have a man who is, perhaps, not very efficient and who is old, the Board do not like to put him out, but still another man has to do his work.

25,972. Do you mean that the Board should be at liberty to require any man to go after 60, unless he was a thoroughly efficient man?—Quite so. Then as regards the question of pensions, perhaps we cannot enter into that, as you have already made a recommendation on that point.

25,973. I think we cannot very well open that question again. Is there any other point upon which you wish to speak?—(*Mr. Mayston.*) I do not know of any other.

25,974. (*Mr. Hanbury.*) Sunday duty does not arise at your out-ports, does it?—Yes, a portion of them have to take their turn of Sunday duty unquestionably. All officers of the water-guard must take a turn of Sunday duty. There is no avoidance of it.

25,975. At Liverpool it seems that there are some new regulations owing to the fact that merchants do not pay them now for certain extra work; for instance, that the pay they used to get they do not now receive. Does that apply to you?—Not at present. It applies to Hull and Grimsby and Liverpool and another port the name of which I have forgotten for the moment. There are four ports to which it has been applied.

25,976. (*Chairman.*) You do not desire to say anything upon the subject of Sunday duty; you do not raise that point, do you?—So far as we are concerned we believe that Sunday duty is absolutely necessary, and that on waterguard service it cannot be avoided. For instance, in the case of ships arriving there must be officers in attendance to look after those ships coming in. We quite see that. Of course that is part of the rough that we have to take with the smooth. That is a duty which a clerk has not to perform. That is another point in favour of the examining officer getting more salary. The present examining officer is distinctly equal to the clerk in point of educational ability, and has to use great tact and discretion very often. Perhaps I may point out here that the outdoor department are frequently brought in contact with gentlemen of very high position returning from the continent. They are frequently brought into contact with ambassadors; they are frequently brought in contact with Royalty itself; and they have therefore to be men of a great amount of discretion in their dealings with various people. We have dealt with the question of collectorships and superintendentships being thrown open to the whole of the service.

25,977. That was, as we know, a recommendation of a previous commission?—(*Mr. O'Loughlin.*) I might say that in some small ports the greater part of the duty that the collector has to perform is really surveyor's work, pertaining to the outdoor department. When the Playfair Commission recommended before that it should be done, he had not then at all to perform the amount of outdoor duty that he has now to do, for since then the warehousing accounts that at that time belonged to his position have been removed to the outdoor department, and it is the surveyor that would have to look after that portion of his work, if there was a surveyor at the port; but in a port where there is the one officer occupying the dual position I should say three fourths of his work, if it is a warehousing port, is surveyor's work, and only one fourth collector's work.

25,978. (*Mr. Hanbury.*) Does he get the same salary as when he had only collector's work to do?—Exactly the same; but my argument is that a man who had been an examining officer and learnt that particular work was better qualified to fill the post than a clerk who did not learn that particular work, for the technical knowledge he had to acquire to perform the surveyor's duties properly is of a much more important and difficult nature than what he had to learn to be a collector. There is very little technical knowledge required in acting as a collector. There is only the ordinary education and intelligence which a gentleman in his position should have. But to act as a surveyor he has to acquire and to have in his mind the continual technical knowledge of gauging and outdoor work. (*Mr. Mayston.*) I should like to call your attention to this, it is really a repetition of what has occurred before. In the Third Report of the Civil Service Expenditure Committee, issued some considerable time ago, they say, "They consider that while "competitive examinations afford on the whole the "best means of selecting young men for admission "into the Civil Service the efficiency of an office "mainly depends upon a good system of promotion "under which men can be advanced according to the "evidence of their fitness which they give by the "actual discharge of their official duties, and to place "them all on a footing of equality as regards their "prospect of rising." That is one of the points for which we really contend, we say that there ought to be an equality all round.

25,979. You must be aware that it is not a very easy problem?—I quite agree with that. I see that there are many difficulties.

The witnesses withdrew.

Adjourned.

APPENDIX.

PAPERS HANDED IN BY WITNESSES AND OTHERS.

APPENDIX.

(1.)

MEMORANDUM BY THE BOARD OF INLAND REVENUE.

In view of the inquiry about to be made into the question of the amalgamation of the Customs and Inland Revenue Departments:—

A Memorandum is submitted for the consideration of the members of the Royal Commission, showing what has been attained in the saving of expenditure by the previous amalgamations of the Boards of Stamps and Taxes in 1834, and subsequently by the amalgamation of the Boards of Stamps, and Taxes, and Excise in 1848, together with some other details which may be of use to the Commission in deciding this question.

Up to 1833, the revenues of stamps, taxes, and excise were under the management of three boards.

In 1834, the Board of Stamps was united with the Board of Taxes, and instead of 712 persons with salaries amounting to 123,354*l.* in the separate establishments, the combined establishment contained only 662 persons, with salaries amounting to 105,012*l.*, showing a saving of 18,342*l.*

In 1848, the Boards of Stamps, and Taxes, and Excise were amalgamated (the Excise Board itself, at the time, being composed of seven Commissioners), and a saving effected of nearly 31,000*l.*, which was obtained by the abolition of the following officers:—

	£	
1 Chairman - -	1,600	per annum.
1 Deputy-Chairman - -	1,500	,,
4 Commissioners - -	4,600	,,
1 Secretary - - -	1,500	,,
1 Solicitor (England) - -	2,000	,,
1 do. (Ireland) - -	2,000	,,
1 Assistant-Solicitor (England)	1,000	,,
1 do. (Scotland)	450	,,
1 Clerk in Solicitor's Office (Scotland) - -	250	,,
1 Clerk in Solicitor's Office (Ireland) - -	100	,,
1 Receiver-General - -	1,200	,,
1 Clerk in the office of Receiver-General - -	800	,,
1 Cashier (Scotland) - -	300	,,
1 Accountant and Controller-General (England) -	1,000	,,
1 Accountant and Controller-General (Scotland) -	1,200	,,
1 Principal Accountant (England) - - -	500	,,
2 Clerks (England) - -	455	,,
2 do. (Scotland) - -	170	,,
1 Auditor and Comptroller-General - -	1,200	,,
1 Assistant do. - -	500	,,
8 Clerks - - -	1,500	,,
12 Receiving Inspectors -	6,800	,,
1 Inspector - -	300	,,
	£30,925	

Mr. Horsfall, in his Draft Report for the Committee appointed in 1862, stated that over 100,000*l.* a year had been saved by these amalgamations in salaries. In addition to this there was the price obtained by the sale of the offices in Broad Street, which became unnecessary for revenue purposes on the transfer of the officers previously located there to Somerset House. This Committee appeared to be about equally divided as to the advisability of amalgamating the Customs and Inland Revenue Departments.

In 1880 a Committee was appointed to inquire into the bonding system of the two departments: and also as to the reduction of Customs establishments at minor ports.

This Committee, which consisted of Mr. Holms, M.P., Sir C. Du Cane, Sir C. Herries (subsequently succeeded by Mr. West), and Mr. Barrington, laid down—

1. That the regulations for bonding goods in the warehouses of the Customs and Inland Revenue should be absolutely assimilated.
2. That in districts where there are duplicate establishments, all of them should, as far as practicable, be transferred to one Revenue Board.
3. That in each town or port the number of bonded warehouses should, as far as possible, be reduced to the actual requirements of the trade.
4. That Customs Establishments at minor ports should, as far as may be practicable, be abolished, or reduced to a lower class (*i.e.*, to the class of creeks or parts of larger ports).

Sub-Committees, consisting of members of the two departments, were subsequently appointed to carry out these recommendations, with the result—

1. That an unified code of warehousing regulations for the two departments was issued in 1885.
2. That the assimilation of the system of warehousing accounts was practically effected.
3. That the number of duplicate warehousing establishments was reduced from 35 to 7 (exclusive of a few warehouses occupied by distillers), and the bonded warehouses at 41 minor ports were transferred to this Board.

On this last subject the Committee reported to the Treasury in November 1883 as follows:—"We have "the pleasure of reporting that a saving of 15,000*l.* "per annum has been effected (through the transfers "in question), and this without any diminution what- "ever of the facilities given to the public, but rather, "if we may judge from the reports that reach us, to "the satisfaction of all concerned. This feeling will, "we believe, be deepened, as the public become more "familiar with the alterations.

"The saving above mentioned, 15,000*l.* per annum, "is in respect of changes carried out in accordance "with the recommendations of our previous reports, "at the places mentioned therein.

"There remain a large number (61) of places at "which warehousing business is still performed by the "Board of Customs. Of these places we append a "list, from which it will be seen that at only 19 places "is the business extensive, while we are strongly of "opinion that at the other ports (42) in the list, in- "vestigation by the practical officers of the two "Revenue Boards would show that the work could "be more economically performed by the Board of "Inland Revenue.

"We would, therefore, suggest whether your Lord- "ships should not issue instructions to both Boards "to bring about, with as little delay as possible, a "transfer of business on the lines above indicated, "observing that we do not consider it necessary that "our Committee should be continued to supervise such "transfer."

These recommendations were adopted by the Lords of the Treasury in December 1883, but the transfer was stayed in the following year by the Chancellor of the Exchequer, I believe on the assurance of the Customs Department that they could themselves effect great economies.

It may certainly be taken for granted that there would have been no difficulty in transferring the warehouses at these 61 ports to the Board of Inland Revenue, without any diminution whatever in the facilities hitherto given to the public, and with the same reduction in the cost of management as had been effected in previous transfers.

Appendix

The unified code of warehouse regulations has now been in use by the two departments since 1885, and although every endeavour has been made to keep the practice of the two departments identical, it is inevitable that where the instructions have to be interpreted by the local officers of two separate departments, and administered by two Boards, diversities of practice will arise. To such an extent has this been the case, that Treasury authority has even been obtained, in some instances, to admit of different practices being followed. This would not have been the case had the code of regulations been administered by one Board.

The gross revenue collected by this department in 1886–7 was 55,577,205*l.* Of this sum, nearly 12,000,000*l.* was in respect of direct deliveries from warehouses.

The gross revenue collected by the Customs Department, including the portion of the British spirit duty for the same year was 21,836,584*l.*, and of this amount about 97 per cent. was in respect of direct deliveries from warehouses.

The total cost of collection of the Inland Revenue for that year was 3*l.* 8*s.* per cent., and that of the Customs, 4*l.* 6*s.* 2*d.* per cent.

In Mr. Cardwell's draft report for the Horsfall Committee it is stated that "the principal and most anxious "labour of the Customs, employing the most expensive "part of the establishment, is connected with the "warehouseing system."

This statement would appear to be equally applicable to the present time, as about 97 per cent of the Customs revenue is still collected through their warehouses, and, as I have endeavoured to show that the warehouses of the two departments could, without difficulty, and economically, be transferred to the management of one Board, so would it follow that the revenues collected through such warehouses (which, in the case of the Customs Department, is nearly the whole) could be equally well collected by the same Board.

There are various extraneous duties performed by both Boards for other departments, such as—

Post Office work.
Companies' registration work.
The collection of agricultural returns.
Corn averages, &c, by the Inland Revenue, and
The collection of light dues.
Mercantile marine duties.
Wreck work.
Bill of entry, &c. by the Customs Department.

In the event of amalgamation taking place, it is presumed that these, as well as other duties would remain for the present in exactly the same position as they are now, until it is seen whether or no some of them could be advantageously transferred to other departments.

It has been shown in the foregoing remarks that each successive amalgamation has resulted in great economy to the State.

It has been admitted in evidence that the most important portion of the Customs work is in connexion with warehouses.

It has been shown that almost the whole of the Customs revenue is collected through warehouses, That the Inland Revenue and Customs warehousing business is regulated by an identical code of instructions, and that warehouses have been transferred from one department to the other without difficulty, and with a most economical result.

The conclusions to be drawn from these proved facts are—

a. That an amalgamation is quite possible; and
b. That it would be economical.

It would be impossible, at this stage of the inquiry, to estimate with any degree of accuracy what saving would be effected if this amalgamation were carried out. This could only be arrived at by the joint administration and enquiry of the two Boards; but it is beyond doubt that a concentration of the work of the two departments would lead to great economies, not alone in the more highly paid classes of officers engaged in the supervision of the various duties performed by what may be termed the outdoor officers, but also in the indoor staff of the respective departments, as it may fairly be assumed that the whole revenue business might be so managed as to render it unnecessary to retain more than—

One Board;
One Secretariat;
One Legal;
One Accounting, and
One Receiving Department for the combined Service.

It would be departmentally advantageous—

1. By securing absolute uniformity of practice as regards the warehousing code of instructions.
2. By putting an end to the correspondence constantly taking place between the two Boards on warehouse questions; and
3. By putting an end to the constant questions and comparisons by the officers of the two departments charged with almost, if not quite, identical duties, who are in receipt of different scales of pay, and have different official prospects.

It is apparent from the Customs Estimates for the past few years that large economies have been effected in its administration.

This may be regarded as one of the results brought about by the appointment of the Warehouse Committee in 1880, and, with this economy in view, does it not appear that it would be to the advantage of the State and of the departments, that they should be so placed as to be able to avail themselves of each other's experience ?

It is admitted that there might be some disadvantage in having so large a body of officers as upwards of 10,000 under one Board, but a great number of these are engaged on work of other departments, especially the Board of Trade, who would probably be willing to take over the whole of the work now performed for them by the Customs Department, and with it the large number of officers concerned.

It is believed, moreover, that public opinion is largely favourable to such a concentration of revenue business, and there can be little doubt that it would be hailed as a great administrative reform.

ALGERNON WEST.

12th October 1888.

I concur in the above Memorandum.

IDDESLEIGH.

(2.)

MEMORANDUM BY THE BOARD OF CUSTOMS.

The advisability of amalgamating the two Departments would appear to depend mainly on three conditions,—

A. The convenience of the merchants.
B. Improvement and economy in administration.
C. The convenience to Government generally in having to deal with one instead of two Departments.

A. *Convenience to merchants.*—In 1862, when the question was mooted, there appears to have been a feeling among those engaged in trade that inconveniences which the merchants met with were caused by their having to deal with two Departments and that these would be remedied by amalgamation.

But great changes have been introduced during the intervening years, as *e.g.*:—

(*a.*) British spirits intended for exportation had formerly to be first removed into a Customs bonded warehouse, as they could not be exported from an excise warehouse; whereas now the same privileges and facilities for exportation exist in respect of the warehouses of either Department.

(*b.*) Plain British spirits are admitted into Customs warehouses on removal under bond from excise warehouses for home consumption, for removal to other warehouses (Customs or Excise), or for exportation.

(*c.*) Imported dutiable goods of all kinds intended for warehousing are now admitted into Excise warehouses on equal terms with those under which they had previously been admitted into Customs warehouses exclusively, for home consumption, for removal to other bonded warehouses, or for exportation.

(*d.*) The warehousing practice of the two Departments formerly differed in many respects, and merchants found themselves subject to different rules, according as to whether they warehoused their goods under one Department or the other.

Of late years the warehousing practice of the two Departments has been assimilated generally at all points, and a code of regulations "governing the "deposit of goods in Customs or Excise general ware-"houses throughout the United Kingdon, the "operations therein and deliveries therefrom," has been issued by the two departments.

The provisions of this code cannot be changed without the previous assent of the respective Boards of both Departments, and the present administration of the whole of the general bonded warehouses of this country is carried out on a uniform plan.

One of the principal grounds of complaint was the number and variety of the Customs forms which were required for the transaction of business. A large reduction was made in these forms in 1863 and subsequent years, and in 1885, on the report of a committee which revised them, a further considerable reduction was effected.

We have thus far dealt with subjects, more or less common to the two Departments, which were brought prominently before the Committee of 1862, and as to which, since that date, facilities have been accorded.

But there are many other points, exclusively Customs, on which considerable facilities and concessions favourable to the mercantile community have in that period been introduced. Among these may be enumerated:—

(1.) The extension to importers of bulk cargoes of the privileges of continuous day and night discharge, free of expense for any overtime attendance of officers.

(2.) The grant of every reasonable facility for the reporting and clearing of vessels, for the landing, examination, and delivery of inwards cargo and shipment of outwards cargo at extra legal hours, including a considerable addition to the legal hours during which goods free of duty may be landed and passed.

(3.) By the amalgamation of offices, from which has resulted not only greater convenience to the mercantile community, but a considerable reduction in the cost of the Department.

(4.) Before 1860 the landing and preventive branches of the Department were, except at very minor ports, entirely distinct and not interchangeable for purposes of general duty; under the present system, all officers (not being clerks) are held available for any revenue and preventive duties as required.

In consequence of these and other changes, we believe that no difficulty is now felt by the public in having to deal with two Departments, and that the feeling in favour of amalgamating the services, which at one time prevailed among mercantile men, has ceased. We are not aware that any opinion in favour of amalgamation has been of late years expressed by the mercantile community.

We do not know whether it is contemplated by the advocates for amalgamation that the whole business now transacted at the Custom House should be moved to Somerset House; but we wish at once to point out that in our opinion any such transfer of business would be attended with the utmost inconvenience to merchants and clerks, who have been accustomed for many generations to transact business at the Custom House, whose offices have, in many cases, been selected on account of their proximity to that House, and whose personal attendance at it is by law, in many cases, compulsory.

We cannot doubt that any change in administration —one of the effects of which would be to remove the Customs staff from the east to the west end of London —would give rise to vigorous remonstrance by the whole mercantile community of the City of London. Whether a similar inconvenience would be caused to the business of the Inland Revenue were the Board and staff of that Department removed to our premises and neighbourhood, is a matter on which we are unable to express an opinion.

B. *Improvement and economy in administration.*—With the view of examining the question whether any improved administration or economy is likely to result from the proposed change, it will be as well first to state the main divisions of the work of the Customs Department, viz.:—

1. Preventive duties, inclusive of quarantine, of waterguard, and the guarding of cargoes during the time of their discharge; and the special duties under the Public Health Acts.
2. Dealing with ship and cargo on first arrival, as *e.g.*, receiving the report of the ship and entry and examination of cargo.
3. Receipt of duty on goods at time of delivery from ship.
4. The warehousing of dutiable goods, the control of them whilst in warehouse, and the receipt of duty on their clearance for home consumption.
5. Transhipments.
6. Exportation of goods, bonded and unbonded, and the supervision and ultimate clearance of the exporting ships.
7. Auditing of ships' cargoes inwards and outwards.
8. Supervision of ships' stores, including the packing and issue of dutiable goods from bond.
9. Ships' registry.
10. Receipt of light dues for Trinity House and Board of Trade at all ports, subports, and creeks.
11. Other work for Board of Trade, such as that of Superintendent of Mercantile Marine and Receiver of Wreck, and enrolment of men in the Royal Naval Reserve. At all except the largest of the Customs Ports, the collectors or superintendents are superintendents of mercantile marine under the Board of Trade, and at all ports the collectors or other Customs officers are receivers of wreck under the same Department. The duties under both heads are technical and often important.
12. Supervision of the landing and importation of cattle (for the Veterinary Department of the Privy Council.
13. Supervision of the landing and loading of explosives (for the Home Office).
14. Work for the Admiralty in connexion with the execution of Admiralty warrants.
15. Payment of pensions, civil, naval, and military.
16. Preparation of statistics of trade; and work in connexion with the bills of entry.
17. British marks, *i.e.*, the protection of the British manufacturer by preventing a British character being fraudulently given to imported goods of foreign manufacture.
18. The protection, so far as importation is concerned, of British copyright works.
19. Prosecution of offenders against Revenue Laws.
20. In the case of war between foreign powers, securing the observance of the provisions of the Foreign Enlistment Act.

For the performance and the supervision of the duties arising in the several divisions of this business there were employed, in the year ending the 31st March 1887, 4,485 established officers, and about 1,400 extra men (including copyists), and the expenditure on the salaries, allowances, &c. of the staff thus employed amounted in that year to 746,088*l.*

Out of the 20 heads into which the business of this Department has been divided, the two Boards come in contact only in cases which fall under Heads 4, 6, 8, and 15, but the possible saving under the two latter heads is not considerable enough to call for special remark here.

Dealing first with No. 6, the two Departments only come in contact at the exportation of beer, spirits, and plate, but the Inland Revenue have no share in the supervision or clearance of exporting ships.

We are not aware that any facilities could be obtained by the exporters under an amalgamated Board which could not be obtained while the administration of the two Departments is separate.

With respect to No. 4, it is true that the business is all-important to the Customs revenue, but it forms only a limited portion of the business of the Department, as will be presently shown. Its importance, however, may be judged from the fact that of the 20,135,476*l.* which, after the abatement of debentures and certificates, formed the Customs revenue in the year ending 31st March 1887, 19,676,992*l.* were paid in respect of warehoused goods, while only 458,484*l.* were paid on prime entries.

It is not easy to arrive at the exact number of officers who are employed—

A. In the receipt of revenue,
B. On warehouse accounts,

but, approximately, it may be stated that under A. 72 men, and under B. 1,143 men, are employed.

It will thus be seen that out of 4,485 established officers, only 1,215 are engaged on duty similar in the

Appendix.

two Departments, but the 1,143 employed under B. would not be affected by amalgamation, as we consider that the number does not exceed the requirements of the service, and if it did, its reduction could and would be effected independently of any question of amalgamation.

There remain only the 72 employed under A.; in the number of these, taken collectively with those employed on similar duties under the Inland Revenue, we think that a reduction could probably be effected under an amalgamated Board, but so far as this Department is concerned, the number actually employed does not appear to afford any wide margin for reduction. We are not, however, prepared to dispute the fact that the revenue might in all cases be received by the same cash clerks, if a satisfactory check is established as to the receipt of the proper amount of duty in each case. With this exception, the only portion of the service in which we think that reduction in expense might result from amalgamation is—

I. In the headquarter staff.

II. In the collectors at those ports at which at present both Departments have collectors.

As to I. The only establishments in which any reduction could ultimately be expected would be—

(*a.*) In the Boards.

(*b.*) In the Solicitors Departments.

(*c.*) In the office of the Accountants-General.

As far as this Board is concerned it has already been reduced to three members, and even if it is amalgamated with the Inland Revenue, we believe that two members at least would certainly be required for the effective transaction of Customs business. If the Inland Revenue Board were correspondingly reduced such reduction could probably be effected without amalgamation, as has been the case with the Board of Customs.

In an amalgamated Board there would be room, of course, for only one chairman, and the salary of the other would be saved; but we believe that at least in this respect, if not in others also, the amalgamation, if carried out, will be more nominal than real, and that it will be difficult to find any one man who would be able to grasp the business of so large a Department, and be competent to advise the Executive on all the various points which would arise in the administration of a Department dealing with such varied business as is included under the headings of—

Customs,
Excise,
Stamps, and
Taxes.

On this point we may cite the opinion expressed by Mr. Gladstone in the House of Commons in 1862. Mr. Gladstone stated that—

> "Having had considerable experience arising from a constant connexion with the heads of those Departments while filling the office which he had the honour to hold, he thought he had the means of forming a judgment on the nature of their functions, and he confessed he had come to the conclusion that these functions were so weighty and so anxious that, in the case of the Board of Inland Revenue, consolidation had been carried to the very furthest point to which it was possible to carry it without great mischief to the public service."

Referring to the Board of Customs, he observed—

> "It was quite true that owing partly to wise legislation during the last 20 years, and partly to the efficient management of the Department itself, the anxieties of the head of the Board of Customs had been very much lightened; but there were still heavy responsibilities attached to the office; and, on a consideration of all the circumstances, he thought it was not the duty of any Government to assent to a proposition for the consolidation of the Customs and Inland Revenue Departments. The question of consolidation was not one of principle, but of degree, and they were justified in carrying it to a certain point, but beyond that point it ought not to be carried; and that point would be reached certainly whenever the mind of man would be overstrained by its being carried further, as he thought would be the case in this instance if they were to amalgamate the two Departments."

These opinions were expressed two years subsequently to the great Budget of 1860, which removed a very large number of articles altogether from the Customs Tariff. Notwithstanding alterations which have been carried out in the duties and responsibilities of both Departments since these words were spoken, we believe that they are equally applicable to the existing state of things.

We have already referred to the great inconvenience which would be felt by the mercantile community if this Board were to sit at Somerset House, and we now wish to refer to the administrative inconvenience which would arise if the Board were at Somerset House, while all the principal officers and offices would still have to remain at the Custom House.

There are at present located in the Custom House 500 men employed on the work of the Departments.

It must be assumed that some of the Commissioners will be told off to attend to the Customs business. Are they to work it at Somerset House or at the Custom House? If at the former, the inconvenience to which we have referred will at once arise, for they will be separated from the officers whom they frequently require to consult in the daily transaction of the business; if at the latter, the nominal character of the so-called amalgamation will be at once apparent, for the Commissioners in charge of the Customs business would be practically ignorant of what was going on in all matters relating to excise, stamps, and taxes, and the Commissioners in charge of those branches would be ignorant of what was going on in the Customs branch.

We question whether the inconvenience and loss of administrative power which would result under either of the above arrangements would not more than counterbalance the ultimate saving which would be effected by the abolition of one of the chairmanships.

A prospective saving of 1,000*l.* a year could also, in all probability, be made in the offices of the two Accountants-General if an amalgamation of them was effected, as two Accountants-General would not be necessary; but as the staff in the office of our Accountant-General was inquired into by an experienced committee composed of Treasury and Customs officials, so lately as 1885, we doubt whether the staff is now in excess of the number requisite for the work, and the same work which has now to be done will continue under any scheme of amalgamation. Similarly, in the offices of the two solicitors it is probable that reductions may be made as in a combined department one solicitor with the requisite assistants might be sufficient.

In the Secretary's office, under an amalgamated Board, one secretary for Customs business would possibly be found sufficient instead of two, but any other reductions which may be made in the office as vacancies occur can and will be carried out irrespective of amalgamation, and have nothing to do with the question.

We should, therefore, estimate the ultimate reductions which would be made in the head-quarters staff, if an amalgamation were effected, at, in round numbers, about 6,000*l.* a year.

II. We now come to the reductions which might be made at the outports.

At present there are 31 towns in which, subject to any changes the Inland Revenue may recently have made, both Departments have collectors, viz. :—

In England, 16.

——	Salary of Collector of Customs.	Salary of Collector of Inland Revenue.
	£	£
Bristol	800	600
*Cardiff	600	475
*Chester	160 (Superintendent at Connah's Quay).	475
*Colchester	300	600
*Exeter	400	475
*Gloucester	300	475
Hull	800	600
*Ipswich	215 (Superintendent).	600
Liverpool	1,200	750
*Lynn	300	475
Newcastle-on-Tyne	700	600
Plymouth	600	600
*Portsmouth	450	600
Southampton	600	475
Sunderland	600	600
*Swansea	500	475

In Scotland, 7.

—	Salary of Collector of Customs.	Salary of Collector of Inland Revenue.
	£	£
*Aberdeen	500	475
*Campbeltown	160 (Superintendent).	600
*Dundee	500	600
Leith	700	750
Glasgow	800	750
*Greenock	500	600
*Inverness	250	475

In Ireland, 8.

—	Salary of Collector of Customs.	Salary of Collector of Inland Revenue.
	£	£
Belfast	700	750
*Cork	500	600
Dublin	700	750
*Galway	215 (Superintendent).	475
*Limerick	400	475
*Londonderry	300	475
*Sligo	215 (Superintendent).	475
*Waterford	300	475

At some of the larger ports we consider that, subject to certain conditions, economy would result from amalgamation; to these ports we will presently refer.

But we will first deal with the 20 ports marked * on the list, at which we consider that little or no saving would be effected.

At these 20 ports the collector holds the double office of collector and surveyor; in the former capacity his duties are comparatively light, and he is required in his capacity of surveyor to take an active part in the warehouse and out-door duties at his port. We are of opinion that these officers could not take in addition to their present combined duties any of the work of the Inland Revenue collectors. But if they did, provision would have to be made for the charge of the out-door duty by the appointment in most cases of surveyors or superintendents whose salaries would approximate to those now paid to our collectors at those ports. The salaries of our surveyors at the outports are as follows:—

1st class	420 to 480
2nd ,,	350 to 410
3rd ,,	300 to 340

It is only at the ports of—

Swansea,
Aberdeen,
Greenock, and
Cork,

at which the salaries of the collectors are 500*l.* a year, that we consider any reduction could be made.

We now come to the 11 larger ports at which we employ both collectors and surveyors. At these ports, though the collectors are responsible for the whole business of their ports, the surveyors are responsible to them for the proper supervision of the warehouse and out-door duties.

In these ports it is possible that a reduction in the number of collectors employed by the two Departments may be effected, but only on the condition that the collector of the amalgamated Department is told off solely to a particular town or port, with such coast district as it may be found desirable to attach to it. He must be a stationary officer; the Inland Revenue practice of employing him as a perambulating officer must cease, and any Inland Revenue district hitherto attached to him must be otherwise assigned.

We are not prepared to deny that some such plan might be applied to all the 11 towns referred to, except Liverpool, Belfast, and Glasgow; but at the best it would have to be tentative and gradually applied. If the plan is successful it would bring within the range of reduction salaries amounting to 4,820*l.*, these figures being given on the supposition that where two collectors are at present employed the higher salary would be retained as that of the "Amalgamated Office."

We estimate, therefore, the probable saving which might be effected by amalgamation to be as follows:— Appendix.

	£
Head-quarters staff	6,000
At 20 smaller ports	470
At 11 larger ports	4,875
	£11,345

The amalgamation might, in some cases, render necessary an alteration in the line of coast assigned to different ports, but we admit it would be attended with one advantage to the public service, viz., that Inland Revenue officers stationed near the coast could be appointed receivers of wreck, and so relieve the officers of this Department of a considerable amount of travelling, the expense of which falls on the public. Taking, however, what we believe to be the most favourable view of the case, we are unable to see how any further saving can be effected.

C. *Convenience to the Government.*—On the third point, the convenience to Government of having only one department instead of two to deal with, we are hardly able to offer any observations. It is no doubt true that at present the two Departments sometimes take different views on questions which may come before them, but we apprehend that such will always be the case when the same question is examined from different points of view by experienced officers acquainted with the details of public business, and, it may be, not unskilled in criticism. But we venture to think that a minister is more likely to gain by such conflict of opinion among experienced administrators than he would do if he had to rely necessarily on the judgment of a single administrator, whose knowledge, though extending over a wide area, would probably for that very reason be superficial.

Having stated thus much on the general question, and shown the saving which we think would result from amalgamation, we wish to record the general objections to which we think the scheme is open.

General objections.—The first point to be considered is the extent to which alterations in the scales of salary of the officers of the two services might be rendered necessary by amalgamation.

At present the scales of salary vary at every point. In an amalgamated service these variations could not continue.

Taking the scale of the officers entering the respective services, we find that about 824 Excise officers enter with pay (taking salary and emoluments together) equal to 71*l.* 5*s.* a year, giving a mean rate of pay of 78*l.* 15*s.*, while 821 Customs officers enter at 55*l.*, rising to 80*l.* a year, giving a mean rate of pay of 67*l.* 10*s.* Are the Customs officers to be levelled up? If so, it will cost over 9,000*l.* a year extra, and the saving effected by amalgamation will be nearly eaten up. Or are the Excise to be levelled down?—If so, it will take some years to accomplish, and in the meantime the same duties will in many cases be performed by officers in receipt of different scales of pay. Would such a state of affairs be long tenable in the face of the organised agitation to which we refer at the end of this paper?

Above the scale at entry and below the rank of assistant inspector there are in the Excise six grades, represented by 3,112 officers at rates of pay varying between 116*l.* 7*s.* and 350*l.*; and in the Customs there are 8 grades above the scale at entry and below the rank of surveyor, represented by 2,058 officers at rates of pay varying from 85*l.* to 300*l.* These rates will all have to be in some manner equalised, and unless the levelling down process is also applied, in most of these cases an increased charge on the public will be the result.

These are details as to which nothing can be well decided until the question is in a much more advanced stage than we apprehend that it is at the present moment, and we only point them out in order to show beforehand some of the difficulties which will have to be met in any attempt to amalgamate the services. We omit from consideration the boatmen, whose salaries range from 55*l.* to 75*l.* a year, giving a mean of only 65*l.* They number 835, and it seems very doubtful whether their scale would not have to be raised if that of the outdoor officers is increased.

In the amalgamation of any departments it is in our opinion essential that the business with which they respectively deal should be of the same nature, inasmuch as no bona fide amalgamation can be accomplished unless the officers in the respective departments are

Appendix.

capable of undertaking, when required, all the detail duties in the amalgamated department.

We do not believe that any such interchange of duties is possible in the Customs and Excise.

We have shown that, out of 4,485 Customs officers, only 1,215 are engaged on duties similar to those on which a portion of the Excise service is employed. The remainder of the Customs officers are employed on various duties immediately connected with the coast and shipping duties which are only indirectly connected with the receipt of revenue—which require long and special training to master, but with which Excise officers are absolutely unacquainted. We do not profess to have much acquaintance with the business of Excise officers, but we apprehend that long special training is as requisite to enable them to understand the details of their business as it is necessary in the case of a good Customs officer. We do not believe that the average official in either Department will be found to be capable of mastering the details of both, and as far as we are aware it has never been attempted by any officer. The cases of officers who have, after a few months' service in the Customs, passed into the Excise are no examples to the contrary, as their short service in the Customs could not have enabled them to master its rudiments.

The experience which we have already had of consolidation within this Department would not lead us to advocate its further development. In the Customs service the landing, the gauging, the warehousing departments, and the waterguard were formerly distinct services. Under pressure from the Treasury these services have now been thrown into one, and the officers are supposed to be capable of mastering with satisfaction to their superiors the detail duties of each of those branches of the service. We cannot say that this consolidation or amalgamation of duties has been such a success as to encourage any further development in that direction. A good all-round man is decidedly the exception and not the rule, and it is believed that a loss of efficiency has already resulted from the attempt to spread official knowledge over too wide an area.

With this experience of amalgamation carried out within the Department, we cannot advocate an experimental policy under which it will be expected that officers, who are hardly able now to master in a satisfactory manner all the duties they are liable to be called on to perform, will be expected to acquire a knowledge of the details of a new service of which they know little or nothing except by name.

We do not forget that the reduction in the number of Customs and Inland Revenue duties which has been effected during the last 30 years has to some extent facilitated the amalgamation of the Departments, and that there is less for the officer now to learn than formerly: but on the other hand we have to bear in mind that, owing to the exigencies of trade, the service is now carried on in all the larger ports at constant high pressure, and that the acquisition of knowledge requisite for the performance of new duties would, for the bulk of the service, be out of the question. We believe that if the policy of amalgamation is attempted its only result will be the production of officers less skilled and less experienced in the practical details of the duties on which they will be employed, and that, as a necessary consequence of the deterioration of the officers, both revenues will suffer. We wish to press this point strongly on the attention of Government for we are convinced that, looking at it from the most sanguine point of view, a possible saving of 11,000*l.* a year in the administration of the Departments throughout the country will weigh but little in the balance when it is accompanied, so far as the subordinates of the Departments are concerned—and it may not stop there—by official smattering instead of official knowledge.

As we therefore believe that at head quarters the amalgamation of the Departments would be only nominal, and that their practical administration would remain distinct, and as we consider that there can be no real consolidation and amalgamation of the subordinate officers of the two Departments, owing to their being unable to master in a satisfactory manner the varied details of both services, we consider that the amalgamation of the two services, if not practically impossible, is highly undesirable.

There is another point also to which, in a semi-official communication of this nature, we are able more easily to draw attention than in an official report.* Those who are acquainted with the inner working of the two services are aware that of late years different grades of the service have combined and agitated for increased salaries; public meetings have been held, newspapers established, and pressure brought to bear on Members of Parliament, both at elections and in the House of Commons, to support their interests. Instances are already not unknown in which candidates and members are found willing to lend themselves to bring pressure on the Government, and to receive testimonials and addresses in recognition of their support of the agitation of the Civil Service for increased pay. Though this combination and agitation has prevailed to a larger extent in the Inland Revenue than in the Customs, our Department has not been free from it. In our opinion, an amalgamated department will afford a wider and easier ground for combination and agitation than is the case when the two services are separate, and are in some degree jealous of each other; we consider that, owing to the peculiar circumstances attending the entry into the services, agitation is likely to be in future its normal condition, and that if Goverment decide that for administrative purposes amalgamation is desirable, they must be prepared, on the other hand, to deal with an agitation for increased pay organised on a wider, and, therefore, more dangerous basis.

CHARLES DU CANE.
H. MURRAY.
H. SEYMOUR.

Board of Customs,
11th August 1887.

Although this Report was made on the 11th August 1887, the figures have, as a rule, been altered so as to agree with those in the Estimates for 1888–9. The passing of the Merchandise Marks Act has rendered it very problematical whether the saving contemplated last year in the Head Quarters Staff in the Solicitor's Department could now be effected.

C. D. C.
H. M.
19th October 1888. H. S.

(3.)

REPLY to the CUSTOMS MEMORANDUM by the BOARD of INLAND REVENUE.

A.—CONVENIENCE TO MERCHANTS.

Whether the great merchants would prefer being under one department of the State or another can only be a matter of opinion which will be probably decided by evidence taken by the Commission from the principal traders; but it can be confidently stated that those who, in consequence of the Warehousing Committee of 1880, were removed from the supervision of the Board of Customs to that of the Board of Inland Revenue, are perfectly satisfied.

It would be difficult to argue that any traders could prefer the administration of two boards to that of one.

The differences of practice which must arise from officers of two separate departments taking different views of the regulations must tend to cause irritation.

A merchant may wish to pay duty on spirits in two warehouses (one a Customs and one an Excise) on the same day, but he must remit the duty to the officers of both departments to enable him to do so.

A merchant applies to be allowed some slight concession in respect of his operations in warehouse; neither department can grant such a concession, except in very special cases, without reference to the other.

An individual wishes to erect a duty-free warehouse, and applies to the Inland Revenue Department for permission to do so, who, before replying, have first to consult the Customs, with the result that a considerable delay takes place; or, it may happen that this department thinks that an additional warehouse could, with advantage, be allowed at a certain port; the Customs think differently, or, *vice versâ*; hence, a large amount of correspondence before the matter can be settled.

* This paper was originally prepared for the Chancellor of the Exchequer.

These instances could be multiplied, and whatever else might result from amalgamation, it is believed it would be a boon to traders generally.

Page 2, *para.* 5.—It would be unadvisable to remove the Board and staff of the Inland Revenue Department from Somerset House, which is in close proximity to the Treasury, the Law Courts, and legal profession generally. It would, moreover, involve the movement of all the stamping machinery.

Were the Inland Revenue Department moved, the part of Somerset House now occupied by them could not be sold, whereas the Custom House would be well adapted for mercantile purposes, and the staff of the port might be accommodated, for the most part, in the Government premises at Tower Hill.

There can be no necessity for a board sitting actually at the port, as is shown at Liverpool, where the trade carried on is enormous, and where there is only a Customs collector.

B.—Improvement and Economy in Administration.

The Board of Customs divide the work of their department into 20 divisions, and state that of these the two Boards come in contact only in cases which fall under Heads 4, 6, 8 and 15.

If the accuracy of this statement be admitted, it remains the fact that Heading No. 4 embraces practically the whole of the warehousing business of the Customs Department, and from which is collected 97 per cent. of the Customs revenue.

The most important of the remaining divisions appear to refer to work performed by the Customs for other departments.

This Board is not aware whether these duties are of such a nature as to require the special supervision of a revenue board, but it is presumed that the officers of the departments concerned, will be examined on the subject by the Commission.

It should also be observed that the number of Customs officers employed on these extraneous duties is very large, and it might be found possible in the general dovetailing of work to which it is hoped amalgamation would lead, to utilize the partial services of some of them on more strictly revenue business.

It is not thought that any serious difficulty would arise owing to there being only one chairman of the amalgamated departments. The chairman of either of the existing boards must depend largely upon the technical knowledge of the officers of his department, and it is not thought that his position will be much affected by amalgamation.

The work of the Excise and Customs is of a very similar character, and it would often be to the advantage of the chairman in advising the Chancellor of the Exchequer upon the taxation of articles common to both departments, to be able to avail himself of the advice of officers well acquainted with the duties of both departments, which is now impossible.

B.—Under this heading the Customs Department estimate the amount of saving which would be effected by amalgamation at about 11,000*l.* a year.

In the memorandum which this Board has placed before the Royal Commission, they express the opinion that at this stage of the inquiry it would be impossible to estimate with any degree of accuracy what the financial results would be. They are still of this opinion, but notwithstanding the great economies which appear to have been effected by the Customs Department in the last few years, this Board would be greatly disappointed if amalgamation did not produce a much larger saving than 11,000*l.* a year.

C.—Convenience to the Government.

This Board do not think it their duty to offer any observations upon this point.

General objections. Scales of Salary.

It is not thought that any great difficulty would arise in adjusting the scales of salaries of the two departments; but speaking generally, and without full knowledge of the Customs system, it is considered that the work done by the lowest class of excise officers, viz., assistants, would most properly fall to be amalgamated with that of the Customs first class out-door officers, and the salaries of these two classes are almost identical.

It might be necessary to re-classify the lower grades in both departments, in such a manner that all officers below these last-mentioned ranks should form a distinct class, and not be eligible for promotion to the higher ranks; but, as stated by the Customs Department, nothing could be decided upon this point until the question is in a much more advanced stage than at present.

The Treasury would, of course, insist that whatever scheme of amalgamation was agreed to, the result should show a saving to the public.

It has never been intended to suggest that amalgamation necessarily involves the knowledge, on the part of every officer, of the details of all the duties under the direction of the Board.

The Tax Surveying Branch of this department forms a distinct class to that of excise, nevertheless, officers of excise render important services in the prompt collection of the income tax.

In the absence of such an arrangement, and if the Tax Surveying Branch were entirely dependent upon their own officers for the collection of the income tax, a considerable augmentation in the number would be necessary. The collector of Inland Revenue, although an excise officer, receives the whole of the Imperial Revenue in his collection, whether tax or excise, and the fact of his not having had a technical training in tax work does not in any way operate against his efficiency as a collector of income tax as well as excise.

The line of promotion, however, for the excise officers is quite distinct from that of tax surveying officers.

This case furnishes a typical illustration of the advantages of amalgamation.

Last paragraph of Memorandum.—With reference to this paragraph, it should be observed that such agitation for increased salaries as exists in the Customs and Inland Revenue services is largely due to one great source of discontent, viz., the different rate of pay at present existing for analogous duties in the two departments.

October 18, 1888.

Algernon West.
Iddesleigh.

(4.)

Reply to the Inland Revenue Memorandum by the Board of Customs.

In dealing with Sir A. West's Memorandum it may be most convenient to take up its points seriatim.

1. The Board do not propose to examine how far the savings stated by Sir A. West to have resulted from the amalgamations referred to in his memorandum are due only to amalgamation, or how far fiscal re-adjustments may have contributed to them. But in any amalgamation efficiency, as well as economy, has to be considered. Within a public department it is possible to concentrate almost any public business, provided there is similarity in the duties performed, as pointed out in our memorandum of 11th August.

The question in the case now under view is whether concentration will not be carried too far, and whether the variety of business, which the Board will be supposed to superintend, will not be made too wide for the members of the Board to exercise over it "that "active, intelligent and energetic attention" (to use the words of Mr. Cardwell's report) which the heads of public departments ought to bring to bear on the discharge of their duties, for if "active and intelligent" control is lost, experience has shown how rapidly the expenditure of a department will rise.

As Mr. Horsfall's draft report was rejected by a majority of the Committee of 1861, it is clear that that majority were of opinion that improved efficiency in the central administration would not result from amalgamation, We are distinctly of the same opinion, and we have indirectly referred to the point in our

Appendix.

first memorandum; and if anything was needed to confirm that opinion, it is the large and very troublesome amount of business which has been added this year to the work of our Board by the passing of the Merchandize Marks Act and the Sparkling Wine Act.

Following Sir A. West's example, we have referred thus far to the report of Mr. Horsfall's committee, but so many changes have taken place in both departments since the date of that report that we do not attach any very great importance to the decision against amalgamation, at which the majority then arrived; the reports are, in fact, "ancient history," and we are aware that the reasons for or against amalgamation must be based on facts as they now are, and not as they then were. But as the argument in 1861, was that the business of the two boards was too large to make amalgamation advisable, it must be shown now that the business of both or of one of the departments has become so reduced as to render amalgamation more desirable.

We will leave Sir A. West to show whether the business of his department has decreased since 1861; we are not aware that it has, but in the Customs, while the actual Revenue business at the Board may have decreased owing to the abolition of duties, new responsibilities have been added by legislation such as those created by the—

British Marks Acts.
Copyright Acts.
Merchandize Marks Acts.
Registry of Fishing Boats, &c. Acts.

The British Marks Acts have been recently practically superseded by the Merchandize Marks Act, and the extent to which this Act has added to the work of the Board may be gathered by the fact that whereas the number of registered papers used to average less than 20,000 a year, they have in this year already exceeded 33,000, of which 14,500 refer to British Marks.

We hold it therefore difficult to show that the business of the Customs department has decreased since 1861. During the interval the Board has however been reduced from 5 to 3.

2. Sir A. West next refers to the reduction of expenditure which resulted from the recommendation of the Treasury Bonded Warehouse Committee between 1882 and 1883–84, and urges that similar reduction would follow under the policy of amalgamation.

The result of the action taken in 1882, 1883, and 1884, was that 187 Customs warehouses were taken over by the Excise, and 57 Excise warehouses by the Customs. As a consequence, there was a reduction in the Customs effective Vote of about 17,000*l.*; but Sir A. West has not shown the additional expenditure which was caused to the Excise *at the warehouses taken over*, in the collection of a revenue amounting at the date of transfer to 1,043,653*l.* Reductions may have been made *elsewhere* to meet the additional expenditure at the new points, but if so, it only shows that the Excise staff was at some other points too large for its duties, and ought not to have been maintained.

Sir A. West assumes, but the assumption is unsupported by any evidence, that at 61 other ports to which he refers, reductions similar to those effected by the Bonded Warehouse Committee may be made, but facts are against him. At two or three of these ports we should be disposed to agree with him, but we are prepared to show that at 11 of these ports which were selected by the chairmen of the two boards to test the question, it was found that the opinion of the Bonded Warehouse Committee, which Sir A. West again adopts, was erroneous, and it was for that reason that further action in the matter was stayed by the Chancellor of the Exchequer. But on this point the Commission can, no doubt, be furnished with information by the Treasury.

We here take the opportunity to call the attention of the Commission to the large expenditure incurred in order to provide bonding accommodation in numerous small towns scattered all over the Kingdom.

3. The Warehousing Code is the next point to which Sir A. West refers, and judging by his remarks, anyone not acquainted with the facts would be led to imagine that grave deviations in practice still exist, and are of frequent occurrence. We venture to assert, that such is not the case; minor differences on unimportant points may occur, for in a Code consisting of 633 paragraphs, there is room for diversity of opinion as to the interpretation of words by a large number of officers, but such diversity of interpretation will exist even in an amalgamated department, and allowance will always have to be made for local circumstances. Further information will probably be given by Sir A. West as to the *instances* in which the authority of the Treasury has been obtained to admit of different practices being followed by the two Boards under the Warehousing Code. It may be safely affirmed that the merchants are as well aware as the officers of the directions contained in the Code, and that if any practices affecting their interests were adopted by one department and not by the other, the matter would soon be brought to the notice of the offending Board. But such complaints are now very rare indeed.

4. Sir A. West has, with some degree of boldness, put the total cost of the Inland Revenue collection for 1886–87 at 3*l.* 8*s.* per cent., and that of the Customs at 4*l.* 6*s.* 2*d.*, but the comparison is absolutely fallacious.

The Revenue collected by the Customs is put by him at 21,836,584*l.*, of which 97 per cent. represented warehouse duties.

The Revenue collected by the Inland Revenue is put at 55,577,205*l.*, but this was collected from the following sources, the figures against each head of which show the actual net receipt of the year 1886–7 as set out in the Inland Revenue 30th Report:

	£
Excise	25,212,883
Stamps	11,780,333
Land Tax	1,065,359
Inhabited House Duty	1,954,011
Income Tax	16,111,174
	£56,123,760

The Excise, again, is subdivided as follows:—

	£
British spirits	12,852,767
Beer	8,495,654
Tobacco	14
Licences	3,541,294
Chicory	2,061
Coffee labels	3,212
Railways	316,969
Charges for deliveries from bonded warehouses	912
	£25,212,883

It is obvious that the cost of the collection of most of the heads of this Revenue cannot be compared with the cost of that of the collection of the Customs Revenue and that on British spirits, which are the only heads collected under the Warehouse system.

For instance, the Stamp duties are probably the cheapest form of Revenue; they are mostly received through the agency of stamp distributors and stamp vendors who are, we believe, in trade as such, and are paid by a poundage on their sales. This Revenue has, moreover, to a large extent, an automatic protection in the Courts of Law, which costs the Inland Revenue nothing at all.

The Income Tax, again, can hardly be said to be even levied by the Inland Revenue; the assessments and collections are mostly made through local and parochial officials, while a large portion of it, which is not thus locally assessed and collected, is collected through the Bank of England, private bankers, railway companies, and agencies of that description, who are also paid by poundage. With the exception of the payment of the poundage, the main duty of the Inland Revenue in connexion with this large item of Revenue is its receipt and account. The same remark would appear also generally to apply to some other items which make up the total of 56,123,760*l.*, such as the Land Tax and Inhabited House Duty, while a large portion of the duties in Licences are collected through the agency of the General Post Office, amounting in 1887–88 to over 900,000*l.*

The detail as to the cost and mode of collection of these separate heads of Revenue will, no doubt, form the subject of examination of the Royal Commission, and we have not the necessary information at our disposal to do more than to indicate generally the direction in which inquiry will be found useful; but we feel satisfied that the attention of the Commissioners will be profitably directed to the distinction to be drawn between the receipt of taxes and the collection of duties.

The only head capable of apt comparison is the cost of the collection of British spirits; and when Sir A. West has shown *separately* the cost of this collection, some accurate opinion may be formed as to whether the collection of the Customs Revenue on warehoused goods is more costly than that of the Inland Revenue.

We question the accuracy of his views on this point in spite of the cost to the Customs of the numerous duties performed for other departments, and of the advantage which the Inland Revenue have over the Customs in dealing with British spirits. As these spirits are manufactured in distilleries under the control of the Inland Revenue, they are able to ascertain the *contents* of a cask by weighing, which is much more accurate, rapid, and economical operation than that to which the Customs are obliged to resort in dealing with spirits and wine imported in casks, viz., gauging, the uncertainty which necessarily attends this latter operation giving rise to correspondence when its accuracy is disputed by the merchant.

In our Report for the year 1886–87, we stated that the percentage cost of the collection of the Customs Revenue for that year (the one to which Sir A. West's figures relate) was 4*l.* 6*s.* 2*d.* on the gross receipt, and 4*l.* 6*s.* 8*d.* on the net produce. This percentage included the cost of the pensions in the Department, viz., 200,585*l.*, which are at present, owing to the re-organisation which took place in 1882 on the introduction of the new warehousing system, at the instance of the Warehousing Committee, abnormally high. It also, of course, included the cost of the waterguard service.

In our Report for the year 1887–88 (not yet presented to Parliament) we have drawn attention to the approximate cost of this service, viz., 166,000*l.* a year; and we have pointed out, a fact which has perhaps escaped the attention of Sir A. West, that the waterguard service is as much a protection to the duty derived from British spirits, and that from beer, as it is to the Customs revenue; but the cost of this service is 22·25 per cent. of the whole charge for the effective service of the Department in that year, which amounted to 746,088*l.*

5. In Mr. Cardwell's draft Report there is the following passage:—"The principal and most anxious "labour of the Customs, employing the most expensive "part of the establishment, is connected with the "warehousing system." Sir A. West quotes this paragraph, and, assuming its statement to be correct as the present time, asserts the opinion, based, as he alleges, on previous experience, that the warehouses of the two departments could be more economically managed if placed under the control of one department, and that the two departments should therefore be amalgamated.

We question, however, whether the warehouses under the Inland Revenue are more economically managed than those which are under the Customs, and on this point we invite comparison, although we do not defend the system under which the clerical work in the warehouses has now to be performed by the Out-door Department; a system which was imposed upon us by the Treasury, and not adopted, in consequence of the experience of the department.

But we do not admit the correctness of the statement in Mr. Cardwell's draft Report. It is true that the "*raison d'être*" of the department is the collection of revenue, but the safe collection of the Customs revenue depends upon a careful and systematic organisation of staff at many other places besides the warehouses, which are only the final resting places of the goods on which the revenue depends. Not only have dutiable articles to be safely landed and guarded at various ports, and the accounts in most places accurately taken before the goods are warehoused, but free goods have to be carefully examined in order to prevent dutiable goods being landed under the guise of free goods. On this duty a staff of officers, largely exceeding in number those who are engaged in the warehouses, has to be employed at the various authorised landing places, and even in advance of such places. On these officers the safety and the collection of the Revenue depend quite as much, if not more, than upon the care of the officers employed in the warehouses. The landing and waterguard staff are the guardians of the Revenue in its first and most dangerous stage; the warehouse officers are its custodians after the goods from which it is to be collected have been safely stowed away under lock and key. We do not hesitate to say that the staff thus employed on landing, gauging, and waterguard duty, which Sir A. West's paper appears entirely to ignore, are employed on duty in every way as "anxious" and important to the Revenue as those engaged in the warehouse; and that the supervision of these branches of the Service and their frequent arrangement to meet the fluctuations and special requirements of trade, causes more trouble to the Board than the control of the warehouse staff. It is also to be observed that the difficulties which have to be encountered by the landing and waterguard staff, and the consequent arrangements which have to be made for its supervision, &c., have been largely increased of late years by the enormous size of the steamers now employed in the carriage of merchandise, and by the great rapidity with which cargoes are now shipped and unshipped—a matter of great importance to the shipping community.

It is this ignorance of the duties on which so large a number of the officers of Customs are engaged, duties which are not analogous to any which the Excise officers have to perform, which underlies the fallacies contained in Sir A. West's papers.

6. Sir A. West states—

a. That amalgamation is quite possible.

b. That it would be economical.

We have never denied that amalgamation was possible; we have only urged that it is not advisable.

In our previous memorandum we pointed out the directions in which we considered economies could be effected if the departments were amalgamated, but we expressed the opinion that economies which might be effected in one direction by amalgamation would soon, in consequence of it, be more than lost in another. To that opinion we adhere.

7. Sir A. West sets forth the following as the immediate advantages which would result from amalgamation:—

1. *Absolute* uniformity of practice in warehousing business. For the reasons given in the earlier portion of this paper, under heading No. 3, we regard any such expectation as chimerical.
2. Cessation of correspondence between the Departments. This would, of course, follow the union of the two; but the letters are not numerous, and, including some on unimportant subjects and 22 in relation to the new wine duty, they amounted in the year ending 30th September last to only 179, and in the preceding year to 120.
3. Similarity of scales of pay in the Service, and the cessation of comparison between the duties and pay of different sets of officers. We have in our first memorandum recorded our opinion that, upon amalgamation, increased expenditure on the salaries of the subordinate officers of Customs will have to be considered. So far from there being any cessation of agitation, the constant questions and comparisons to which Sir A. West alludes will multiply until the lower salaries have, as a rule, been levelled up.

8. Sir A. West observes that large economies have been of late years effected in the administration of the Customs, and he regards this as one result of the appointment of the Warehouse Committee in 1880. This conclusion is altogether erroneous. As a matter of fact, the actual expenditure of the department on its effective service was, in the year 1880–81, 778,546*l.*, and in the year 1887–88, 670,251*l.*, showing a reduction of 108,295*l.*; but, after making every allowance, we have been unable, in paragraph 2, to credit the Warehouse Committee with more than 17,000*l.* of these reductions. The remainder has been the result of administrative changes, with which that Committee had nothing whatever to do. Moreover, the original proposal to reduce the bonded accommodation at several of the smaller out-ports originated with this department, and not with the Bonded Warehouse Committee.

9. There is only one other point in Sir A. West's Memorandum to which we think it necessary to refer.

He expresses the opinion that the extraneous work done by the Customs for other departments, which is very large, might possibly be advantageously transferred to the respective departments to which it belongs; and, as no reasons are given for the change, we assume that economy is the only ground for the proposal. We have referred to some of the heads of this extraneous work in our previous memorandum, where they are set out in more detail than it is necessary here to give. With the exception of the Board of Trade, *qud* statistics, we are not aware of any department which has expressed the opinion that

Appendix.

it would be desirable that they should themselves undertake the work now done for them by the Customs, and we are confident that, on inquiry, none will be found to be of that opinion. As far as the Board of Trade is concerned, it will probably be sufficient to point out that that department already has, at the ports at which it will pay them to keep it, a separate staff for the performance of its own duties, except as regards the collection of light dues, which are, and always will be, collected more economically to the public, and more conveniently for the trader, at the Custom houses to which the captains of vessels must resort for other purposes. As to the Home Office and the Veterinary Department of the Privy Council, neither of them could possibly superintend as cheaply as the Customs officers, in conjunction with their other landing duties, do, the landing of cattle or the landing of and loading of explosives.

Such suggestions as these appear to us to be made in ignorance of the circumstances attending the several cases, and, if adopted, would involve a retrograde policy, under which each department would do its own work with a separate staff at every point in the United Kingdom, irrespective of the question whether the work was sufficient for the employment of one or more officers which would naturally lead to large additional expenditure.

The question as to the statistics of the import and export trade of the Kingdom is, we admit, an open one. The Board of Trade have desired to take it over, but on the occasion of the last inquiry on the subject, in 1882–83, the Treasury decided to leave the control with the Customs; but it is necessary to point out—what seems to have escaped the attention of Sir A. West—that, whether the control of the statistics is vested in the Customs or Board of Trade, the Customs officers are the only officers who can, cheaply and conveniently, collect them; that the whole of the import statistics, whether relating to dutiable or free goods, fall within the sphere of their necessary daily duty, and, of the exports, all that relate to dutiable goods. If therefore these statistics were collected by another department, there would, of course, be a large increase of expense; if, on the other hand, the collection of them was left with the Customs officers, but those officers, in the performance of their duty, were subjected to the daily control and interference of another department, we are of opinion that the statistics would become probably less accurate than they now are, because the officers collecting them would, in respect of this duty, cease to be under the immediate discipline of their own department, and be no longer working for the department to which they look for promotion.

We therefore consider the proposal of Sir A. West to disassociate the Customs from the work of other departments to be practically out of the question.

10. Sir A. West concludes by expressing the belief that public opinion is largely in favour of the amalgamation of the two departments. We are not aware of the existence of any such public opinion; the only public opinion which is likely to affect the question is that of the traders who come in contact with regulations touching their business. We know that all Revenue regulations must be more or less prejudicial to trade, but we know of no freedom which traders could gain under an amalgamated Board which they are not equally likely to gain under the separate Boards. In 1861 the traders were subjected to unnecessary inconveniences. Most, if not all, of those have long ago been removed, and we are not aware that, of recent years, the mercantile community have taken the slightest interest in the question of amalgamation. Such interest as the question may now possess we believe to be mainly, if not entirely, departmental.

CHARLES DU CANE.
H. MURRAY.
12th November 1888. HORACE SEYMOUR.

(5.)

MEMORANDUM upon the LEGAL ASPECT of the QUESTION of AMALGAMATION of the CUSTOMS and INLAND REVENUE.

The Board of Commissioners of Inland Revenue was formed in February 1849,* and represents the now obsolete Boards of "Commissioners of Excise for the United Kingdom" and "Commissioners of Stamps and Taxes," which last-mentioned Board had been formed in August 1834,† and represented the Commissioners of Stamps for the United Kingdom and the "Commissioners for the Affairs of Taxes in Great Britain." No difficulty appears to have arisen in amalgamating the duties of the two Boards, which were consolidated in 1834, but the duties of Excise and of Stamps and Taxes are totally different in their incidence and mode of collection, and there is much more affinity between Customs and Excise than there ever has been between Excise and Stamps and Taxes. Irrespective of other considerations which had weight, the consolidation of the Boards of Excise and Customs would have been more natural and feasible than that which was effected in 1849, and the duties of those two Boards, which are very homogeneous, would have been capable of easy assimilation with considerable economy and advantage to the public.

This can be readily shown by the necessity which has always existed of providing concurrent powers for the Commissioners and officers of Excise and the Commissioners and officers of Customs for the making of seizures and arrests in regard to goods subject to duties of Excise or Customs,‡ and, inasmuch as officers of Customs were usually stationed at the ports, and frauds upon the Customs were frequently detected at places inland at a distance from the ports, the powers of the Commissioners of Excise in relation to uncustomed goods were greater than the powers of the Commissioners of Customs in relation to exciseable goods, and included a power to sue for and recover as an Excise penalty or forfeiture any penalty or forfeiture incurred under any law of Customs.§ All these powers still exist.

Considerable progress towards an amalgamation of the collection of the duties of Customs and Excise has recently been made, as there is now a power of warehousing goods of every description liable to any duty of Excise or Customs in any warehouse approved for the purpose by the Commissioners of Inland Revenue or the Commissioners of Customs.

This power was conferred in 1881,* and has been used to a considerable extent, but the law relating to the warehousing and treatment of all goods, except spirits and wines,† is to be found solely in the Customs Acts, whilst different codes of law are applicable to spirits and wines according as they are warehoused in an Excise warehouse or in a Customs warehouse.‡

The present peculiar condition of law and practice in regard to British and Foreign goods is made clear at once by reference to the several classes of goods in respect of which duties of Inland Revenue or Customs are charged.

Beer.

The duty on beer, whether brewed at home or abroad, is charged upon the barrel of 36 gallons of a specific gravity of 1,057 degrees. The duty of Excise is 6*s.* 3*d.* per barrel,§ and the duty of Customs is 6*s.* 6*d.* per barrel.‖ The additional rate of Customs duty in this and other cases represents the surtax as an equivalent for expense incident to Excise supervision. A drawback equivalent to the duty of Excise is allowed upon the exportation of either home-made¶ or imported** beer.

Beer can only be sold under an Excise licence and upon premises subject to Excise supervision.

Cards.

Playing cards, whether manufactured at home or abroad, are subject to a duty. The duty on home-made

---

* 12 & 13 Vict. c. 1. † 4 & 5 W. IV. c. 60.
‡ 7 & 8 Geo. IV. c. 53. s. 38.
§ 9 Geo. IV. c. 44. s. 2; 4 & 5 W. IV. c. 51. s. 28; 39 & 40 Vict. c. 36. s. 255; 42 & 43 Vict. c. 21. s. 11.

* 44 & 45 Vict. c. 12. s. 18.
† See—as to Spirits—43 & 44 Vict. c. 24. ss. 49–85; and—as to Wines—44 & 45 Vict. c. 12. s. 17.
‡ See 43 & 44 Vict. c. 24. s. 85. § 43 & 44 Vict. c. 20. s. 11.
‖ 44 & 45 Vict. c. 12. s. 3. ¶ 43 & 44 Vict. c. 20. s. 36.
** 44 & 45 Vict. c. 12. s. 4.

cards is a stamp duty of 3*d.* per pack,* and on imported cards is a Customs duty of 3*s.* 9*d.* per dozen packs.† Both duties are denoted by wrappers provided by the Commissioners of Inland Revenue.‡

Chicory.

A duty is charged upon chicory whether home grown or imported. The duty on home-grown chicory is an Excise duty at the rate of 12*s.* 1*d.* per cwt.,§ and the duty on imported chicory is a Customs duty of 13*s.* 3*d.* per cwt. for raw or kiln-dried chicory, and of 2*d.* per lb. for roasted or ground chicory.†

Chicory or Coffee mixed with other substances.

An Excise duty of one halfpenny per ¼ lb. is payable upon mixtures of this description, whether imported or mixed in this country.‖ This duty is denoted by a label provided by the Commissioners of Inland Revenue.

Medicines.

The charge of stamp duty on medicines embraces in addition to medicines made in this country "Foreign medicines of all kinds except drugs."¶ This duty is denoted by a label provided by the Commissioners of Inland Revenue.** The sale of medicines liable to duty can only be effected under an Excise licence.

Plate.

Gold and silver plate, whether made in this country or imported, is liable to duty. The duty is the same in either case, viz., 17*s.* per oz. for gold and 1*s.* 6*d.* per oz. for silver, but is a stamp duty†† or a Customs duty† according to the place of manufacture. The duty is collected at the Assay offices in different towns of the United Kingdom, and is denoted by an impression called a hall mark. The sale of plate can only be effected under an Excise licence.

Spirits.

The duty on spirits, whether British or foreign, is charged upon the gallon at proof. In the case of British spirits the duty is 10*s.* per gallon,‡‡ and in the case of ordinary foreign spirits the duty is 10*s.* 4*d.* per gallon.§§

When foreign spirits have been delivered upon payment of the duty of Customs they are treated as British spirits, and, subject to the payment of the surtax, may be methylated or exported upon the same terms as British spirits, when therefore a duty of Customs has been paid upon foreign spirits which are afterwards methylated or exported, the drawback allowed on methylation or exportation is paid out of the Excise revenue. The separate accounts of the revenue received by the Inland Revenue and the Customs are not, from this reason, quite to be relied upon as showing accurately the amounts received for British and foreign spirits, inasmuch as duty paid to the customs is not infrequently repaid by the Excise as a drawback. The removal of spirits, whether British or foreign, is subject to stringent Excise regulations, and spirits can only be sold under an Excise licence and upon premises subject to Excise supervision.

Tobacco.

The duty on tobacco is a duty of Customs‖‖ and the growth of tobacco in the United Kingdom is prohibited. Tobacco has, however, in recent years been grown for experimental purposes in this country, under the sanction of the Treasury, and a duty equivalent to the duty of Customs is paid thereon, and is brought to account as a duty of Excise. The manufacture and sale of tobacco can, however, only be effected under an Excise license, and upon premises subject to Excise supervision.

* 25 & 26 Vict. c. 22. Sched. † 39 & 40 Vict. c. 35. Sched.
‡ 25 & 26 Vict. c. 22. ss. 28–37; 16 & 17 Vict. c. 107. ss. 114–116.
§ 35 & 36 Vict. c. 20. s. 5. ‖ 45 & 46 Vict. c. 41. s. 5.
¶ 52 Geo. III. c. 150. Sched. ** 42 Geo. III. c. 56. ss. 10 and 11.
†† 55 Geo. III. c. 185.; 5 & 6 Vict. c. 82. s. 2.
‡‡ 23 & 24 Vict. c. 129. s. 1. §§ 44 & 45 Vict. c. 12. s. 7.
‖‖ 50 & 51 Vict. c. 15. s. 3.

Vinegar.

The manufacture of vinegar in this country can only be effected under an Excise licence and upon premises subject to Excise supervision.* Until the year 1880 there was a duty of Customs on imported vinegar, but this duty ceased with the repeal of the duty on malt.

Wine.

The duty on wine is a duty of Customs, but wine can only be sold under an Excise licence, and upon premises subject to Excise supervision.

It will be seen from the above statement that beer, plate, spirits, tobacco, and wine, upon which duties of Customs are charged, can only be sold under Excise licenses, and subject to Excise supervision, that the duty on imported plate is collected in the same manner as the duty on home-manufactured plate, and that the duties on imported cards, chicory, or coffee mixtures, and medicines are collected by wrappers or labels supplied by the Commissioners of Inland Revenue.

It is manifest, therefore, that the collection of the duties might be made throughout by one set of officers subject to the control of one central authority, and that, if this were done, the separate codes of law relating to the duties and regulations for British and foreign goods which are due to the existence of the two Boards of Inland Revenue and Customs might be consolidated and simplified, and the assimilation thereby effected would of necessity involve the abolition of the friction occasionally caused by differences of practice. The duties also might, subject to any necessary surtax on imported goods by way of compensation for Excise supervision, be made absolutely uniform, and an importer for sale might be treated in precisely the same manner as a manufacturer for sale. If this were done no distinction need any longer be drawn between articles—*e.g.*, spirits, whether British or foreign, and generally the simplification of the law and practice would doubtless prove to be a great public advantage.

There can also be no doubt that the control of the collection of all the duties by one central authority would result in benefit to the Revenue, as an absolute uniformity of practice would tend to prevent evasion of duties properly payable, and it is not to be anticipated that there would be any loss of security in the detection of frauds, as the distinction between the landing and removal of uncustomed goods, and the illicit manufacture and removal of exciseable goods, is little more than nominal. One code of law, instead of the two existing codes of law, would also be sufficient in relation to the warehousing and the exportation of goods, the seizure of forfeited goods, whether British or foreign, and the mode of proceeding for penalties.

In conclusion, it may be stated that a practical amalgamation of the two Boards of Commissioners of Customs and Commissioners of Inland Revenue could be effected by appointing one set of Commissioners for both purposes pending the passing of an Act of Parliament such as was passed upon the formation of the Board of Commissioners of Inland Revenue in 1849.†

W. H. Melvill.

29th October 1888.

* 7 & 8 Geo. IV. c. 25. ss. 2-4. † 12 & 13 Vict. c. 1.

(6.)

Report by Dr. Bell, Principal of the Inland Revenue Laboratory.

It has been necessary for many years past to employ a staff of chemists and a considerable number of specially trained officers, to assist in assessing and protecting the duties of Customs and Excise on beer, spirits, wine, tobacco, coffee, &c. &c.

Besides two chief and controlling laboratories in London—one belonging to each Department—there are duplicate laboratories at nine out-ports, viz., Belfast, Bristol, Cork, Dublin, Glasgow, Leith, Liverpool, Newhaven, and Southampton.

The laboratory officers of the Customs Department are engaged exclusively upon the examination of dutiable commodities, such as the determination of the amount of spirit in wines and various spirit compounds, the obscuration of rums and brandies. the original gravity of imported beers, and also the analysis of teas and tobaccos suspected to be adulterated.

The work of the Inland Revenue chemists includes all such kinds of commodities as are analysed by the Customs, but has a much wider range, and embraces

Appendix.

many hundreds of other kinds of articles for the India Office, Admiralty, Board of Trade, and other Government Departments, as well as reference samples under the Sale of Food and Drugs Acts.

With one or two exceptions in London, all the laboratory officials of the Customs Department are ordinary outdoor officers who have only been instructed in simple routine modes of distillation, whereas all those of the Inland Revenue have had two or more years' chemical training; and as, with the exception of the fixed staff at Somerset House, they return to the surveying branch after a few years' experience in the chemical work, the Department becomes permeated with officers whose chemical knowledge and training prove of signal advantage to the revenue.

An amalgamation of the laboratory departments would result in greater economy of working, increased efficiency, and public convenience.

Economy of working would be secured at those ports where there are duplicate establishments by a diminution of the expense of supervision, by the introduction of the Inland Revenue system generally of performing routine work by junior trained assistants at comparatively low salaries, instead of by older officers at a higher rate of pay; and by the abolition of all necessity for the duplication of experimental investigations.

The Treasury have decided that it is absolutely necessary for the security of the revenue that the Inland Revenue chemists who so largely control the manufacture of tobacco in this country, and protect the Customs duty thereon from fraud, should analyse and assess for drawback all samples taken from tobacco and snuff entered for exportation, or abandoned to be destroyed, on the ground that the analyses of such samples have an important bearing upon the discovery and detection of fraud through the practice of adulteration by the manufacturers.

This arrangement, together with other regulations made for the sake of economy, causes a large number of samples of tobacco, snuff, beer, liqueurs, &c. to be taken by the officers of Customs, which have to be analysed by the Inland Revenue chemists, and it is obvious that with a union of the two Departments under one Board increased efficiency would naturally result from the freer intercourse and more direct communication between the analytical and sampling officers. Such a union would also obviate the inconvenience which sometimes arises from having to communicate through the respective Boards upon questions which might be easily settled without such a formality, if the officials were acting under one executive Board.

It also sometimes happens that goods, free from duty themselves, are imported for the sole purpose of adulterating dutiable commodities, and the suppression of such adulteration would be greatly facilitated if these goods could be followed up and traced to their ultimate destination, as would doubtless often be done if all the officers concerned were under the control of one Board.

With one executive Board the convenience of the public would be increased by the avoidance of the annoyance and loss of time which now occur when a question is at issue which concerns the two Departments, by the adoption of uniform methods of analysis, and of the same standard instruments; and by the prevention of opposite decisions on questions of revenue

A case which occurred two or three years ago illustrates the advantage of having uniform standards.

In consequence of complaints from the trade as to there being a difference between the strength of the same spirit as shown by the hydrometers used by the Inland Revenue and Customs respectively, the Treasury directed that one standard instrument should be used for the two Departments, and that this standard should be kept in the Inland Revenue laboratory at Somerset House. The Customs' standard has been brought periodically as directed by the Treasury to be compared therewith, and from the inauguration of this system all complaints from the trade have ceased.

With regard to the prevention of opposite decisions on questions of revenue, it has unfortunately been necessary on several occasions, much to the astonishment and confusion of the trade, for the Inland Revenue chemists to seize manufactured tobacco on which the Customs had accepted the duty, but which contained ingredients prohibited by law, except under conditions which had not been complied with.

It must be remembered that, as already indicated, although the tobacco duty is collected by the Customs Department the entire control of its manufacture in this country, as well as the prevention of fraud by adulteration, devolves upon the Inland Revenue, and it would obviously be to the interests of the country if the manufactured tobacco imported were controlled by the Inland Revenue chemists and other officers who are in intimate association with the home manufacture of tobacco, and who have a thorough knowledge of the laws and regulations relating thereto.

It may be useful to briefly refer to some of the disadvantages attaching to the existence of two sets of laboratories under different Boards.

1st. The probability of different methods of analysis being applied to the same class of work, and the danger of inconvenience and annoyance to traders when discrepancies occur in results, as, for instance, in the amount of obscuration when foreign spirits are re-tested on receipt by the Inland Revenue from the Customs.

2nd. The anomaly of two Government Departments independently solving analytical difficulties relating to the same kind of work, with the possible result of arriving at different conclusions.

At present, processes of analysis may be in operation in one Department which are entirely unknown in the other, and questions unsolved in one laboratory may have been cleared up years before in the other.

As an illustration of the latter hypothesis may be cited the action of the officers of Customs when in the year 1883 they detained a quantity of cigarettes on the ground that they contained a foreign ingredient, which, however, had been known by the Inland Revenue chemists for many years to be a natural constituent of that class of tobacco, and when the matter came before them they reported to that effect. Notwithstanding this, the officers of Customs maintained the correctness of their view, and in the end the Treasury had to nominate, at considerable expense, an independent chemist of repute to investigate the whole subject, with the result that he confirmed in an unqualified way the decision of the Inland Revenue chemists. Pending the investigation, which occupied several months, the cigarettes were under detention, and I understand damages to the extent of 400*l.* had to be paid by the Customs Department to the importer.

3rd. The public scandal of one Department seizing goods on which duty had been accepted by the other.

A few recent cases of this description will suffice to show the hardship and irritation which are undoubtedly produced in the trade by these occurrences.

In December 1886* several seizures of cigarettes containing glycerine and liquorice were made in Glasgow; these were subsequently given up to the importer, and allowed by the Customs to be re-shipped abroad.

In June 1888† a considerable quantity of Cut Cavendish tobacco in packets, and containing liquorice, was allowed to go into consumption unlabelled, and on payment of too low a rate of duty. The tobacco was subsequently allowed to be returned to the Customs for payment at the higher rate of duty, and for the packets to be duly labelled.

In September 1888 about 200 lbs. of packet tobaccos and cigarettes containing coca leaves were seized at a dealer's shop in London. The packets were marked "Coca tobacco" and "Coca cigarettes" respectively, but had nevertheless been allowed by the Customs to pass into consumption, although tobacco containing foreign leaves is illegal in this country under any circumstances. This case is at present under the consideration of the Board of Customs and Inland Revenue.

It is not intended to suggest that samples in all such cases had been examined and passed by the laboratory officers of Customs, but simply that such tobacco would have been far less likely to have been allowed to go into consumption if the officers at the port of entry had been in touch with the home manufacture.

4th. The absence of control by the Inland Revenue chemists over the mode of sampling when done by Customs officers.

In the case of offal snuff, for instance, deposited for drawback, one sample may represent 20 or more bags, but the difficulty of getting an average sample is one which is but rarely appreciated except by persons accustomed to the minute accuracy of chemical analysis.

As an illustration of the advantages which result

* Papers $\frac{24,843}{86}$ J. † Papers O $\frac{6970}{88}$

from the sampling and analytical officers being brought into personal intercourse may be cited, the inspection of lime and lemon juice which is done by the Inland Revenue Department for the Board of Trade. When this duty was first undertaken by the Inland Revenue analysts, the sampling of the juice and its admixture with spirit were entirely in the hands of the Customs officers. The system, however, did not work satisfactorily, and the Board of Trade found it necessary to give the inspectors at Somerset House some control over the mode of sampling, and to arrange for investing them with power to inspect the warehouses, and to advise with the sampling officers as to the best methods to be followed.

The visits to the warehouses, made in pursuance of this arrangement, having brought the inspectors in personal contact with the Customs officers, have proved of the greatest advantage, and have resulted from time to time in the adoption of improved arrangements, and the removal of a number of irregularities which would otherwise have continued to exist.

In my opinion it is obvious, from what has been stated, that the nation will never reap all the advantages which might be derived from the services of its laboratory officers until the duplicate revenue laboratories are abolished, and until uniformity of practice is ensured by the various officers concerned being brought under the direction of one Board.

Appendix.

(7.)

(*Paper handed in by Mr. Murray.*) (*See Question No.* 21,527.)

List of Larger Ports (excluding London and Liverpool) at which Collectors have Surveyors to assist them.

Return showing Amount of Revenue collected, and the Number of Vessels employed in the Foreign Trade, with Cargoes entered Inwards, and cleared Outwards, at the following Ports:—

Port.	Customs Duties.	Excise Duties Collected by Customs.	Foreign Trade. Vessels with Cargoes. Inwards.	Outwards.
	£	£	No.	No.
Belfast	816,629	879,065	379	81
Bristol	910,015	132,362	796	284
Cardiff	18,265	23,505	1,513	5,874
Dover	28,744	3,642	1,678	1,351
Dublin	710,749	159,426	379	65
Glasgow	824,027	183,991	915	1,306
Grimsby	77,434	3,669	1,094	1,263
Hull	87,370	35,507	2,990	2,631
Leith	311,212	293,177	1,295	901
Newcastle-on-Tyne	285,383	23,483	2,001	4,935
Newhaven	35,390	890	1,212	954
Plymouth	45,615	96,153	666	324
Southampton	22,781	9,135	1,720	1,104
Sunderland	55,007	23,248	604	1,868

List of Ports at which Collectors act as Surveyors also.

Return showing Amount of Revenue collected, and the Number of Vessels employed in the Foreign Trade, with Cargoes entered Inwards and cleared Outwards, at the following Ports:—

Port.	Customs Duties.	Excise Duties collected by Customs.	Foreign Trade. Vessels with Cargoes. Inwards.	Outwards.
	£	£	No.	No.
Aberdeen	86,367	102,058	257	64
Ayr	1,397	7,966	75	99
Barrow-in-Furness	3,685	5,571	94	134
Berwick	6,073	22,099	79	18
Carnarvon	276	10,085	22	244
Colchester	7,883	3,828	54	6
Cork	115,993	17,368	173	24
Cowes	2,806	5,004	23	29
Douglas, I. of Man	53,086	—	18	—
Dundee	96,414	172,304	408	155
Exeter	110,140	25,742	84	5
Falmouth	1,786	1,909	120	24
Gloucester	8,585	6,586	340	82
Goole	20,071	2,223	1,185	1,222
Grangemouth	1,736	3,105	683	1,132
Granton	83,822	12,150	234	174
Greenock	15,601	64,331	439	132
Hartlepool	5,308	9,037	879	1,044
Harwich	44,991	—	945	758
Inverness	3,750	30,256	65	13
Limerick	79,107	49,102	94	3
Llanelly	2,422	4,653	78	227
Londonderry	59,632	68,021	81	4
Lynn	3,835	2,123	68	59
Middlesbrough	17,017	6,987	824	1,018
Newport	19,501	14,791	1,030	2,198
Newry	20,995	77,667	32	1
Peterhead	818	487	76	199
Portsmouth	22,825	41,289	286	24
Ramsgate	4,431	3,993	65	1
Rochester	6,068	11,089	305	64
Shields, North „ South	12,969	6,476	—	—
Swansea	7,585	13,445	891	2,008
Waterford	21,572	33,461	58	22
Weymouth	5,771	7,688	331	192
Whitehaven	46,485	19,919	21	17
Wick	1,126	830	47	85
Yarmouth	21,730	7,784	186	10

Appendix.

List of Ports under Superintendents.

Return showing Amount of Revenue collected, and the Number of Vessels employed in the Foreign Trade, with Cargoes entered Inwards and cleared Outwards, at the following Ports:—

Port.	Customs Duties.	Excise Duties collected by Customs.	Foreign Trade. Vessels with Cargoes. Inwards.	Outwards.
1st Class.	£	£	No.	No.
Ardrossan	71	331	36	46
Borrowstoness	53	691	444	517
Boston	516	—	170	120
Dartmouth	1,030	1,035	30	71
Fleetwood	75	49	182	36
Galway	11	—	25	6
Guernsey	—	—	1,937	2,149
Ipswich	16	—	158	29
Jersey	—	—	1,248	601
Kirkcaldy	63	—	209	1,800
Lerwick	520	—	53	82
Lowestoft	8	—	89	3
Milford	3	—	14	3
Penzance	17	—	37	7
Shoreham	439	—	210	14
Sligo	2	—	40	—
Stornoway	7	—	8	32
2nd Class.				
Aberystwith	3	—	11	3
Alloa	14	—	352	1,251
Banff	3	—	23	32
Campbeltown	—	—	23	1
Castletown	1,488	1,580	3	—
Chester	12	—	80	15
Fowey	45	—	26	545
Kirkwall	7	—	22	9
Maryport	39	—	111	71
Montrose	6	—	102	34
Padstow	1	—	4	3
Poole	5	—	89	63
Ramsey	2,494	1,839	12	—
Runcorn	39	—	174	125
Scarborough	11	—	24	—
Scilly	5	—	2	—
Skibbereen	72	187	21	4
Stockton	21	—	155	23
Troon	21	—	43	137
Westport	8	—	10	—
Wexford	14	—	9	—
Whitby	10	—	8	—
Wigtown	—	—	2	—
Workington	38	—	46	27

These amounts are approximate only. The actual duties collected are included in the Returns from the superintending ports.

There are also two Sub-Ports in charge of Superintendents, 2nd Class, viz.: Blyth (Shields), and Seaham (Sunderland).

Ports in Charge of Principal Coast Officers.

Return showing Amount of Revenue collected, and the Number of Vessels employed in the Foreign Trade, with Cargoes entered Inwards and cleared Outwards, at the following Ports:—

Port.	Customs Duties.	Excise Duties collected by Customs.	Foreign Trade. Vessels with Cargoes. Inwards.	Outwards.
1st Class.				
Arbroath	Small in any case, but mostly Nil.	Nil	21	4
Barnstaple			12	2
Beaumaris			45	37
Bridgwater			66	29
Cardigan			4	—
Carlisle			24	—
Drogheda			5	—
Dumfries			3	—
Dundalk			15	1
Lancaster			34	3
Littlehampton			35	—
Perth			12	—
Preston			13	1
Teignmouth			16	37
Tralee			31	—
Truro			30	1
Wisbeach			123	48
2nd Class.				
Coleraine, Port Rush			7	—
Faversham			4	—
Stranraer			41	27

Stations, not being Ports, at which Principal Coast Officers are placed.

Return showing Amount of Revenue collected, and the Number of Vessels employed in the Foreign Trade, with Cargoes entered Inwards and cleared Outwards, at the following Stations within Customs Ports:—

Station.	Port.	Customs Duties.	Duties by Excise Collected by Customs.	Foreign Trade. Vessels with Cargoes. Inwards.	Outwards.
		£	£	No.	No.
Newburgh	Aberdeen	Small in any case, but mostly Nil.	Nil	11	—
Irvine	Troon (Ayr)			19	7
Port William	Wigtown (Ayr)			—	—
Banff	Banff			5	12
Buckie	Do.			3	12
Morecambe	Lancaster			—	—
Larne	Belfast			20	52
Appledore	Barnstaple (Bristol).			10*	2
Ilfracombe	Do.			—	—
Minehead	Bridgwater (Bristol).			3†	—
Portmadoc	Carnarvon			12	212
Aberdovey	Aberystwith (Carnarvon).			7	1
Holyhead	Beaumaris (Carnarvon).			22	1
Amlwch	Do.			17	11
Maldon	Colchester			16	2
Burnham	Do.			—	3
Kinsale	Cork			7	—
Youghal	Do.			3	13
Peel	Douglas			2	—

* Including Bideford.

† Including Watchet.

Station.	Port.	Customs Duties.	Duties by Excise collected Customs.	Foreign Trade. Vessels with Cargoes. Inwards.	Outwards.
		£	£	No.	No.
Deal	Dover	Small in any case, but mostly Nil.	Nil	—	—
Rye	Folkestone			41	2
Tay Port	Dundee			42*	40
Salcombe	Dartmouth (Exeter).			3	1
Brixham	Do.			9	41
Torquay	Teignmouth (Exeter).			6	1
Hayle	Penzance, (Falmouth).			16	2
Bowling	Glasgow			29	4
Lydney	Gloucester			3	1
Limekilns (Charlestown).	Alloa (Grangemouth).			71	548
Kennet Pans (Kincardine).	Do.			22	176
Inverkeithing	Do.			9	224
Tobermory (I. of Mull).	Greenock			—	—
Oban	Do.			3	—
Islay	Do.			—	—
Woodbridge	Ipswich (Harwich).			2	—
Aldborough	Do.			—†	—
Burghead	Inverness			27	8
Fort William	Do.			—	—
Invergordon	Do.			15	3
Portree (I. of Skye).	Do.			—	—
Kirkcaldy	Kirkcaldy			10	2
Methel (Leven, &c.)	Do.			39	145
Dysart	Do.			9	645
Anstruther	Do.			2	2
Fisherrow	Leith			19	79
Mostyn	Chester (Liverpool).			41	1
Pembrey	Llanelly	Small in any case, but mostly Nil.	Nil	4	23
Ferryside	Do.			5	—
Fishguard	Cardigan			—	—
Saundersfoot	Milford (Llanelly)			—‡	3
Wells	Lynn			7	—
Sutton Wash or (Sutton Bridge).	Wisbeach (Lynn)			40	—
Itchenor	Littlehampton			—	—
Fraserburgh	Peterhead			32	128
Charlestown	Fowey (Plymouth)			17	233
Par	Do.			5	139
Fareham	Portsmouth			10	6
Sandwich	Ramsgate			2	—
Whitstable	Faversham (Ramsgate).			9	23
Milton	Do.			17	1
Amble	Shields			12	208
Donegal	Sligo			3	—
Lymington	Southampton			2	—
Briton Ferry	Swansea			42	164
Porthcawl	Do.			—	—
Port Talbot	Do.			119	45
Dungarvan	Waterford			136	53
Ballina	Westport			—	—
Bridport	Weymouth			2	—
Millom	Whitehaven			—	—
Scrabster	Wick			5	—
Little Ferry	Do.			—	19
Stromness	Kirkwall (Wick)			1	3
Long Hope	Do.			—	3

* Including St. Andrews.

† Including Offord.

‡ Including Tenby.

Appendix.

(8) - - - - - -

Paper handed in by Mr. Murray.

CUSTOMS - - - - - - -

A RETURN showing the ACTUAL EXPENDITURE for EFFECTIVE SERVICES

SUB-HEADS.	1880–1.		1881–2.		1882–3.	
	No. of Established Officers.	Actual Expenditure.	No. of Established Officers.	Actual Expenditure.	No. of Established Officers.	Actual Expenditure.
A. SUPERINTENDING ESTABLISHMENT :—		£		£		£
1. Established Officers - - - -	160	57,719	172	59,179	183	59,890
2. Copyists - - - - -		3,118		3,379		4,448
3. Extra Attendance and Special Service - -		1,367		1,453		1,440
4. Travelling and Incidents - - -		747		992		668
A. -	160	62,951	172	65,003	183	66,446
B. ESTABLISHMENT OF THE PORT OF LONDON :—						
a. Wet Goods, Dry Goods, Tea Office and former Out-door Departments, or in lieu thereof, the present Out-door Department.						
1. Established Officers - - - -	1,433	205,206	1,433	202,835	1,433	190,262
2. Copyists - - - - -		4,492		4,397		4,952
3. Glut Pay - - - - -		27,732		28,752		29,645
4. Extra Attendance and Special Service - -		4,000		6,586		8,517
	1,433	*241,430*	*1,433*	*242,570*	*1,433*	*233,376*
b. Departments other than the above, Long Room, Searcher's Office, &c.						
1. Established Officers - - - -	186	40,133	186	41,745	188	47,993
2 Copyists - - - - -		1,543		2,034		2,530
	186	*41,676*	*186*	*43,779*	*188*	*50,523*
Total of *a.* and *b.* - -		283,106		286,349		283,899
3. Travelling and other Incidental Expenses -		20,316		22,106		21,578
B. -	1,619	303,422	1,619	308,455	1,621	305,477
C. LIVERPOOL DISTRICT :—						
1. Established Officers - - - -	645	88,078	660	88,781	666	88,513
2. Copyists - - - - -		2,681		1,645		3,562
3. Glut Pay - - - - -		16,110		17,999		19,225
4. Extra Attendance and Special Service - -		81		258		376
5. Travelling and other Incidental Expenses -		1,384		1,432		2,000
C. -	645	108,334	660	110,115	666	113,676
D. OUT-PORTS :—						
1. Established Officers - - - -	2,281	282,188	2,359	288,529	2,352	282,155
2. Copyists - - - - -		9,701		5,455		6,402
3. Glut Pay - - - - -		46,297		45,076		45,701
4. Extra Attendance and Special Service - -		2,277		2,544		3,756
5. Travelling and other Incidental Expenses -		16,976		15,541		15,102
D. -	2,281	357,439	2,359	357,145	2,352	353,116
E. LAW EXPENSES :—						
1. Established Officers - - - -	10	6,309	10	5,650	10	5,675
2. Seizure, Rewards, and Expenses . -		4,819		4,692		4,462
E. -	10	11,128	10	10,342	10	10,137
Total as per Appropriation Accounts -	4,715	843,274	4,820	851,060	4,832	848,852

28th November 1888.

(8.)

See Question 21,760.

CUSTOMS.

of the DEPARTMENT, for the Years 1880–1 to 1887–8 inclusive.

1883–4.		1884–5.		1885–6.		1886–7.		1887–8.	
No. of Established Officers.	Actual Expenditure.	No. of Established Officers.	Actual Expenditure.	No. of Established Officers.	Actual Expenditure.	No. of Established Officers.	Actual Expenditure.	No. of Established Officers.	Actual Expenditure.
	£		£		£		£		£
177	57,362	178	58,101	156	57,374	162	56,912	160	53,698
	4,855		5,247		5,247		5,641		5,360
	1,334		1,714		1,171		1,196		1,160
	879		625		403		522		507
177	64,430	178	65,687	156	64,195	162	64,271	160	60,725
1,352	178,489	1,349	177,426	1,330	177,438	1,391	188,724	1,420	187,394
	3,790		3,463		3,143		2,806		2,508
	27,100		24,507		23,122		22,241		22,124
	3,911		4,991		5,595		3,774		3,323
1,352	*213,290*	*1,349*	*210,387*	*1,330*	*209,298*	*1,391*	*217,545*	*1,420*	*215,349*
215	43,913	215	43,149	204	42,302	110	24,631	94	25,137
	1,947		2,030		1,865		1,750		1,610
215	*45,860*	*215*	*45,179*	*204*	*44,167*	*110*	*26,381*	*94*	*26,747*
	259,150		255,566		253,465		243,926		242,096
	20,030		19,125		17,940		17,144		17,660
1,567	279,180	1,564	274,691	1,534	271,405	1,501	261,070	1,514	259,756
666	86,078	644	86,242	659	86,074	606	80,180	601	79,552
	2,477		2,648		2,567		2,676		2,604
	18,581		14,624		11,899		11,407		10,666
	1,041		820		855		1,058		936
	2,141		2,013		1,851		2,270		1,845
666	110,318	644	106,347	659	103,246	606	97,591	601	95,603
2,308	275,796	2,219	268,290	2,238	267,215	2,237	264,328	2,228	263,570
	5,904		4,830		4,954		4,570		3,862
	41,075		33,959		28,583		27,196		23,463
	4,567		5,182		4,962		4,445		3,609
	14,673		12,657		11,509		12,825		10,813
2,308	342,015	2,219	324,918	2,238	317,223	2,237	313,364	2,228	305,317
10	6,050	10	5,985	9	5,206	8	5,168	8	5,052
	6,046		6,462		5,038		4,524		5,633
10	12,096	10	12,447	9	10,244	8	9,692	8	10,685
4,728	808,039	4,615	784,090	4,596	766,313	4,514	745,988	4,511	732,086

WM. DICK,
Accountant and Controller-General.

(9.)

Paper handed in by Mr. Murray.—(See Question No. 21,797.)

A STATEMENT of the DUTIES performed by CUSTOMS OFFICERS as SUPERINTENDENTS of MERCANTILE MARINE.

1. The engagement and discharge of the crews of foreign-going British ships, including the settlement of disputed points respecting wages, discipline, &c.
2. The issue of conveyance passes home to seamen desirous of proceeding without waiting for discharge.
3. The investigation of all cases of death at sea, from whatever cause.
4. The examination of the accounts of wages and effects of all deceased seamen, and of the claims of relatives to the proceeds.
5. The examination and payment of all claims for the conveyance from abroad of distressed British seamen.
6. The issue of allotment notes (monthly half-pay) to seamen's relatives.
7. The examination of the lists of the crews and of agreements for home-trade ships, and the issue of certificates that the law has been complied with.
8. The administration of the Acts for regulating the relations between the skippers and the crews of sea-fishing boats.
9. The issue and payment of seamen's money orders.
10. The delivery of certificates of competency to masters, mates, and engineers.
11. The reporting of offences committed by such certificated officers.
12. The preparation and registry of sea apprentices' indentures.
13. The discovery of persons entitled to rewards for bravery and special services at sea, and the payment of such rewards, as fixed by the Board of Trade.
14. Answering inquiries respecting missing seamen, and tracing them from ship to ship.
15. The examination of claims for pensions from the Merchant Seamens' Fund and the Greenwich Sixpences Fund.
16. The examination and payment of coastguard claims for exercising the life-saving apparatus, whether at quarterly practice or in cases of wreck.
17. The receipt of fees and expenses in connexion with the tonnage measurement of ships, and relative payments to surveyors.
18. The receipt of fees and expenses incurred in the administration of the Passengers' Act, and the payment of salaries, &c. to emigration officers and medical inspectors.
19. Acting as local agents for the Board of Trade in the collection of statistics respecting all shipping interests, in ascertaining the views of the seafaring community on proposed changes, in apprising the local public of all new official regulations and recommendations required to be publicly known, and generally in serving as a medium of communication between the Board of Trade and the superintendent's district.

Note.—The principal Customs officer, who is a superintendent of mercantile marine, is required, in virtue of that office, to perform the duties of Registrar of Royal Naval Reserve, which has now reached a strength of 16,091 volunteers. These duties include the persuasion and enlistment of seamen and firemen as volunteers; keeping the enrolment register; the issue of conveyance passes to drill; the payment of quarterly retainers and other charges; registering the names and the voyages of vessels in which volunteers are successively employed, so as to secure their attendance on emergency; giving advice and directions to volunteers as to periods of drill, and as to the voyages competent for them to make, and generally supervising them, from the Board of Trade side of the regulations, during the 11 months of the year when the men are not under the charge of the naval officers, who drill each seaman 28 days per annum.

A STATEMENT of the DUTIES performed by CUSTOMS OFFICERS as RECEIVERS of WRECK.

1. Receiving, checking, and registering reports of all wrecked property.
2. Taking possession of all such property, and disposing of the same, whether by sale or by restoration to owners sometimes involving the settlement of conflicting claims.
3. Conducting prosecutions in cases of concealed or stolen wreck.
4. Settlement of the claims of lords of manors to wreck washed ashore.
5. Taking personal command (when present) of all persons engaged in saving life and protecting property from wrecked vessels.
6. Payment of all expenses and fees arising from the custody and disposal of wrecked goods, including the scrutiny of coastguard charges, and the decision and payment of salvage claims.
7. The examination (on oath, when necessary) of masters and others respecting wrecks and casualties to vessels, and the preparation of confidential opinions on the causes thereof.
8. The tracing of witnesses required for Wreck Commissioner's inquiries, and the preliminary examination of these witnesses on behalf of the Board of Trade solicitor.
9. Payment of expenses incurred in such inquiries, including subsistence allowances to witnesses pending proceedings.
10. Payment and recovery of expenses in the burial of carcases washed ashore.
11. Reporting encroachments on the foreshore, and other interferences with the rights of navigation.
12. Acting as local inspectors of the Board of Trade in respect of these and cognate matters, regarding which inquiry may be deemed necessary, *e.g.*, the sufficiency of the coastguard staff for watching wrecked goods, the protection of Crown rights in the seashore on the introduction of Parliamentary bills for the formation of new coast railways, &c.

(10.)

(Paper handed in by Mr. Hunter.—See Question No. 25,073.)

TABLE of COMPARISONS between INLAND REVENUE INDOOR OFFICIALS and OUTDOOR OFFICIALS, with the percentages of Higher Grade Appointments open to each.

INLAND REVENUE.—Names of Office, &c.	Total Number of Persons employed.	Total Number of Persons who attain to Salaries of 400*l.* a year and upwards.	Per-centage of the whole who attain to Salaries of 400*l.* a year and upwards.
1. Secretary's - - -	100	43	43·0
2. Accountant and Controller-General's.	84	38	45·2
3. Receiver-General's - -	13	5	38·4
4. Controller of Stamps nd Stores.	57	20	35·0
5. Excise Outdoor - -	3,728	107	2·8

Note.—The Offices, Nos. 1, 2, and 3 were reorganised in 1887, No. 4 in 1888, No. 5 partially in 1887. In comparing Nos. 4 and 5, the following points of difference are observable:—

CONTROLLER OF STAMPS AND STORES.

	£	£	£
4th Class Clerks	70 by	5 *annually to*	140
3rd „	150 „	10 „	240
2nd „	250 „	12 „	300
1st „	310 „	15 „	400
Senior „	410 „	20 „	480
Principal „	520 „	20 „	620

EXCISE OUTDOOR SERVICE.

Assistants £50 + £30 officiating allowance to £65 + £30 by two *triennial increments of* - - - - - - - - £7 10*s.*

	£	£	£
2nd Class Officers	115 by	5 annually to - -	140
1st „	155 „	5 to £170, and then by £7 10*s.* annually to - - -	220
2nd Class Supervisors	240 „	10 annually to - - -	280
1st „	300 „	10 „ - - -	350
2nd Class Inspectors	380 „	10 „ - - -	400
3rd Class Collectors	450 „	10 „ - - -	500

Classifications of Districts.

The following changes made in the status of districts in recent years are instanced in support of the contention that the present classification should be abolished. As a rule the changes were made without addition to or reduction from the work of the districts in question:—

Brighton	raised from	2nd to 1st Class	for present	Supervisor.
Guildford	„ „	2nd to 1st „	previous	„
Do.	reduced „	1st to 2nd „	present	„
Canterbury	raised „	2nd to 1st „	previous	„
Do.	reduced „	1st to 2nd „	present	„
Hastings	raised „	2nd to 1st „	„	„
Chester, 1st	„ „	2nd to 1st „	„	„
Chester, 2nd	„ „	2nd to 1st „	„	„
Wrexham	„ „	2nd to 1st „	„	„
Romford	„ „	2nd to 1st „	„	„
Bury St. Edmunds	„ „	2nd to 1st „	a previous	„
Do.	reduced „	1st to 2nd „	next	„
Lynn	raised „	2nd to 1st „	present	„
Wavertree	„ „	2nd to 1st „	„	„
Watford	„ „	2nd to 1st „	„	„
Banbury	„ „	2nd to 1st „	„	„
Southampton	reduced „	1st to 2nd „	„	„
Macclesfield	raised „	2nd to 1st „	„	„
Dudley, 2nd	reduced „	1st to 2nd „	„	„
Do., afterwards	raised „	2nd to 1st „	„	„
Aberdeen	reduced „	1st to 2nd „	„	„
Stirling	raised „	2nd to 1st „	„	„
Tullamore	„ „	2nd to 1st „	„	„
Reading, 1st	„ „	2nd to 1st „	„	„

Other cases similar in character could be instanced. Further, when the matter is examined from the point of view of revenue collected, the anomalies of the classification are as apparent, as the following instances will show:—

	Total Duties collected, excluding Establishment and Dog Licences.
	£
Guildford, recently reduced from the 1st to the 2nd Class	46,000
Yarmouth, continued as 2nd Class	62,000
Bury St. Edmunds, recently reduced from 1st to 2nd Class	32,000
Reigate, continued as 2nd Class	37,000
Hastings, recently raised from 2nd to 1st Class	23,000
Wrexham, recently raised from 2nd to 1st Class	30,000
Macclesfield, recently raised from 2nd to 1st Class	24,000
Dudley, 2nd, recently raised from 2nd to 1st Class	21,000

Numerous other instances of the same nature could be quoted.

An instance showing a Repayment of Duty on Beer lost by the Vessel containing the same having accidentally fallen from its position, and the contents, over 2,000 Gallons of Beer, lost.

The course followed in this case was as follows:—The brewer made formal application through the supervisor at Reigate, who reported upon the application, described the nature of the accident, and estimated the quantity of beer on which the trader was entitled to repayment upon, giving data and reasons for the estimate. The Board agreed with the figures suggested by the supervisor, and made the following order:—

12*th November* 1887.

"On your report of the 25th ultimo, the Board direct that the duty be remitted, by deduction from the current month's charge against Mr.————, of————, on 2,119 net gallons of beer.

"*To the Supervisor, Reigate.*"

The above repayment represented over 18*l.*

An instance of a Repayment on 15·8 Proof Gallons to a Bonded Warehouse Proprietor, which was found to be short on a vatting operation in Warehouse. The Repayment amounted to 8l. 3s. 10d.

The trader applied, through the supervisor at Reigate, who reported as follows:—

"I beg leave to hand you herewith an application from Mr.————, requesting to be repaid duty on 15·8 gallons at proof of foreign spirits, which were charged as an excess deficiency on a vatting of rum on 18th May 1887. The accounts both before and after vatting were taken by myself, and I append a copy of the same taken from the Operations Register."

On Mr.———— being called upon to pay duty upon the above excess of deficiency he requested me ocheck the contents of the original casks by measuring the same, and which I did, with the following result:—

"The result of the measuring by me showed that the original quantity shown by gauge in the casks exceeded the measure by over eight gallons."

On the above report the Board made the following Order, allowing the repayment:—

"I am directed by the Board of Inland Revenue to inform you that the duty on the chargeable deficiency of 15·8 proof gallons of rum, which resulted from the racking of rum in question, will be remitted."

Report against a Brewer of Beer for sale, for using a larger quantity of Sugar than that entered, or in other words a breach of the law.

"Reigate, 10/9/87.

"I beg leave to hand you herewith a report against Mr. ————, brewer of beer for sale at ————, for having used 112 lbs. of sugar over the quantity entered on 16th August 1887.

"I saw Mr. ————, and asked him if he wished to offer any explanation of the matter. He distinctly denies having used the extra quantity above stated. In the face of the private stock of sugar kept by the officer, and checked by me on various occasions, I cannot do otherwise than disbelieve Mr. ———— –'s statement.

"For some time past I have been dissatisfied with Mr. ————'s mode of working. The malt used was as a rule inferior, and frequently ground very fine, the brewings were not properly attended to, and I observed losses from leakage, and yet charges arose from worts, and not as I thought they should, from materials.

"I commenced checking the stock of glucose, some time ago, and on several occasions I noticed that one bag or 112 lbs. extra was used. This, as a rule, was the case when stout and strong ales were brewed, but as time went on the practice became more general."

Some technical details are then given and the report continues as follows:—

"I made, in company with the officer, and on several occasions without him, most minute examinations of the premises, and took steps to satisfy myself that wort was not being concealed or robbed, and with the result that I am satisfied that such practices were not carried on. I believe that the brewer, from the causes which I indicated at the commencement of this report, used extra glucose to prevent charges from materials, but without further fraudulent intention.

"I believe that if a sugar stock is directed to be kept upon Mr.———— that it will effectually put a stop to the practices referred to.

"I may add that the officer has given a large amount of time and attention to this case, and he has acted under my directions to the best of his ability with the view to putting a stop to the illegal transactions of this trader.

"I am, &c.

"————————

"*Supervisor, Reigate District.*"

The following order was made by the Board, on the above case:—

"31/10/87.

"Sir,—With reference to your report of————, the Board direct that you cause the enclosed informations to be exhibited against Mr.————."

The case was thus referred to the magistrates for adjudication, the supervisor at Reigate conducting the legal proceedings to a close.

Appendix.

An instance showing the course adopted when an application is made for the return of License Duty purported to have been paid in error. The application in the first instance was sent to the Repayments Division, Somerset House, and from thence referred to the Supervisor, Reigate, for report.

The supervisor at Reigate reported as follows on 16th February 1889:—

"With reference to the annexed application made by ——— on behalf of ———, I beg leave to state that I have made inquiries respecting the matter, and I find that a dog was kept by ———, during the month of January, in the present year. The dog, I believe, died on the 1st instant, but under the circumstances I beg to submit that this is not a case for repayment."

The Board reply on 28th February 1889, and made the following order on the supervisor's report:—

"With reference to your report of the 16th instant, the Board direct that you inform ——— that no repayment can be granted in respect of the enclosed license taken out by ———.

"I am, &c.,

"———

"*To the Supervisor, Reigate.*"

(11.)

Statement handed in by Mr. Crowe,—See Question No. 25,112.

Assistant entering the Department by open competition in 1873, promoted to be 2nd class Officer after 4 years' service, and 1st class after 12 years' service.				Assistant entering in 1876 promoted to 2nd class Officer after 5 years' service, and (estimate) 1st class after 15 years' service.				Assistant entering in 1880 promoted to 2nd class Officer after 8 years' service, and (estimate) 1st class after 18 years' service.				Assistant entering in 1886 and (estimate) promoted to 2nd class Officer after 9 years' service and 1st after 19 years' service.			
Years' Service. A.		Annual Salary.		Years' Service. B.		Annual Salary.		Years' Service. C.		Annual Salary.		Years' Service. D.		Annual Salary.	
		£ s. d.				£ s. d.				£ s. d.				£ s. d.	
1	Assistant.	90 0 0		1	Assistant.	90 0 0		1	Assistant.	90 0 0		1	Assistant.	80 0 0	
2		90 0 0		2		90 0 0		2		90 0 0		2		80 0 0	
3		95 0 0		3		90 0 0		3		90 0 0		3		80 0 0	
4		95 0 0		4		95 0 0		4		90 0 0		4		87 10 0	
				5		95 0 0		5		95 0 0		5		87 10 0	
								6		95 0 0		6		87 10 0	
								7		95 0 0		7		95 0 0	
5	2nd class Officer.	115 0 0		6	2nd class Officer.	115 0 0		8		95 0 0		8		95 0 0	
6		120 0 0		7		120 0 0						9		95 0 0	
7		125 0 0		8		125 0 0									
8		130 0 0		9		130 0 0		9	2nd class Officer.	115 0 0					
9		130 0 0		10		130 0 0		10		120 0 0		*10	2nd class officers.	115 0 0	
10		130 0 0		11		130 0 0		11		125 0 0		11		120 0 0	
11		130 0 0		12		130 0 0		12		130 0 0		12		125 0 0	
12		130 0 0		13		135 0 0		13		135 0 0		13		130 0 0	
				14		140 0 0		14		140 0 0		14		135 0 0	
				15		140 0 0		15		140 0 0		15		140 0 0	
13	1st class Officer.	155 0 0						16		140 0 0		16		140 0 0	
14		160 0 0						17		140 0 0		17		140 0 0	
15		165 0 0						18		140 0 0		18		140 0 0	
16		170 0 0		*16	1st class Officer.	155 0 0						19		140 0 0	
17		177 10 0		17		160 0 0									
18		185 0 0		18		165 0 0		*19	1st class Officer.	155 0 0					
19		192 10 0		19		170 0 0		20		160 0 0		*20	1st class Officers.	155 0 0	
20		200 0 0		20		177 10 0		21		165 0 0		21		160 0 0	
21		207 10 0		21		185 0 0		22		170 0 0		22		165 0 0	
22		215 0 0		22		192 10 0		23		177 10 0		23		170 0 0	
23		220 0 0		23		200 0 0		24		185 0 0		24		177 10 0	
				24		207 10 0		25		192 10 0		25		185 0 0	
				25		215 0 0		26		200 0 0		26		192 10 0	
				26		220 0 0		27		207 10 0		27		200 0 0	
24		220 0 0						28		215 0 0		28		207 10 0	
25		220 0 0						29		220 0 0		29		215 0 0	
26		220 0 0										30		220 0 0	
27		220 0 0		27		220 0 0						Loss compared with A.		807 10 0	
28		220 0 0		28		220 0 0									
29		220 0 0		29		220 0 0									
30		220 0 0		30		220 0 0		30		220 0 0					
				Loss compared with A		285 0 0		Loss compared with A		635 0 0					
Total -		£4,967 10 0		Total -		£4,967 10 0		Total -		£4,967 10 0		Total -		£4,967 10 0	

* If promoted.

(12.)

(Correspondence between the Excise Out-door Officers and Board of Inland Revenue, handed in by Mr. Cunningham. See Question No. 25,150.)

To the HONOURABLE the COMMISSIONERS OF INLAND REVENUE.

HONOURABLE SIRS,

THE supervisors, officers, and assistants of Inland Revenue, after careful study of the results of recent Departmental changes, and in view of their ultimate effects, most respectfully approach your Honours with the following statement of unredressed grievances, in the earnest hope that a due consideration of the whole case will lead you to exert your best influence to bring about their speedy removal, and, by conferring that equality with other and similar Departments for which these officials have so long sought, put an end to the discontent which, unfortunately, has so long prevailed.

On behalf of the service, which we represent, we desire to express our grateful recognition of the efforts which your Honours have already made in the direction of amelioration, and we most respectfully request your patient attention to the views of the service on the existing conditions of salaries, promotion, allowances, and leave.

The main grievances of which we complain are:—Inadequate salaries, loss of prospects, insufficient allowances for horsekeep, travelling, and office accommodation, and insufficient leave.

Salaries.—The supervisors feel that their salaries are inadequate when considered in relation to the value of the services rendered, and also when compared with the salaries of officials performing similar duties in other Departments. The work of supervisors is clearly of the nature laid down by the Playfair Commission as pertaining to the Upper Division and we therefore respectfully submit that the rate of remuneration ought to accord with the work, and reach, as in the Higher Division, a maximum of 400*l.* per annum. We further respectfully submit that the present division into two classes is not defensible upon the ground of any difference in the nature of the work of a first class district as compared with that of a second class district, and that the classification ought, therefore, to disappear, and the maximum salary of the grade be open to all without break or barrier, save the test of fitness hereinafter suggested.

Officers of the first class are dissatisfied with their present salaries upon similar grounds; their duties are admittedly of a much more responsible nature than those of the Lower Division clerks, their hours of work are longer, and the nature of their duties not only demands the highest degree of integrity, but requires also the exercise of considerable mental ability and tact, as well as a large amount of physical endurance. Yet the maximum salary of a Lower Division clerk is 250*l.* per annum, while that of a first class officer is 220*l.* Again, the clerk is probably never required to change his residence, while the officer may frequently be removed, as the exigencies of the service demand; the clerk has the opportunity of forming friendships and starting his family advantageously in life, while the officer is at a great disadvantage in this respect, not merely by reason of changes of residence, but also by the very nature of his duties.

Officers of the second class complain of the inadequacy of their salaries on the ground that there is no essential difference between their duties and those of the first class officers. We respectfully submit that the division into two classes ought to cease, and that, subject only to the test herein-after suggested, salaries ought to proceed, by annual increments, to the maximum claimed for first class officers.

We beg to point out that, under the present arrangements, many officers of the second class, upon reaching the maximum for their grade, will be kept for a period of at least four years without any increment; this period of stagnation occurs at a time when the officers' family expenses begin to be most severely felt.

We also beg to state that many of those now receiving the present maximum were kept at the late maximum for periods ranging from two to four years.

We respectfully submit that the case of assistants is one of peculiar hardship, and calls for special and early consideration. Many of the officials in this grade have now entered upon their eighth, and some upon their ninth, year of service, and are in receipt of only 95*l.* per annum. We consider this remuneration quite inadequate, when their age and experience are taken into account, and we cannot refrain from pointing out that Lower Division clerks under the age of 18 are receiving exactly the same salary as assistants who have served over seven years, and whose ages range between 26 and 30. In this connexion we also respectfully point out that in a Treasury letter to the Civil Service Commissioners (17th March 1885), the entrance examination for assistants of Excise is stated to be "practically of the same standard" as that for the Lower Division clerkship. Assistants being largely employed as a "relief" staff, are subjected to frequent changes of residence, and, as a consequence, incur expenses of which the Lower Division clerks, whose location is usually unchanged, have little or no experience. We respectfully submit that the assistants ought to receive remuneration at least equal to that granted to the clerks of the Lower Division, and we further respectfully submit that, as their duties and responsibilities are in the main the same as those of fixed officers, the present distinction between assistants and officers ought to be abolished, and the salaries proceed from the initial salary to the maximum for officers, subject only to the conditions hereinafter suggested.

We also respectfully submit that so long as permanent assistancies are maintained, assistants ought to be appointed thereto in order of seniority, so as to avoid the anomaly whereby a senior assistant may be continually removed from station to station, while a junior may be for many consecutive months attached to one station

It cannot be too strongly urged that nothing less than a maximum of 400*l. per annum for supervisors, and* 250*l. for officers (including assistants), will effectually remove the discontent now felt upon the ground of slow promotion from grade to grade. The maximum of each grade to be attainable by all its members without classification.*

We respectfully submit that the following scale of salaries is one which would give satisfaction to the Department, viz.:—Officers, 80*l.* by 5*l.* per annum to 100*l.* Upon reaching 100*l.* per annum, a certificate of fitness for further advancement might be required, upon the issue of which the officer's income should proceed by annual increments of 7*l.* 10*s.* to 190*l.* Upon reaching 190*l.* a test of fitness for further advancement in that grade might be applied, similar to that now in force on the promotion of an officer from the second to the first class, and upon the result being found satisfactory the officer's salary should proceed by annual increments of 10*l.* to 250*l.*, the maximum claimed for the grade.

We submit that the minimum salary for an officer upon his appointment to a station should be 120*l.* per annum, and that, if his salary has not reached that amount by the time he is placed in charge of a station, it ought to be immediately raised thereto.

We also submit that the advancement of officials beyond the suggested limits of 100*l.* and 190*l.* *should depend solely upon their fitness and not upon the existence of vacancies.*

For examiners and supervisors, we submit the following scale, viz.:—Examiners and supervisors, 280*l.* by 10*l.* to 350*l.* Upon reaching 350*l.* the supervisor's fitness for further advancement in that grade might be tested, and if the result be found satisfactory the salary should advance by annual increments of 12*l.* 10*s.* to 400*l.*

In this case also we respectfully submit that advancement beyond the limit of 350*l.* *should depend solely upon the official's fitness and not upon the existence of a vacancy.*

We respectfully suggest that the officials now designated assistants, shall, for the future, be styled unattached officers, and that examiners be henceforth styled unattached supervisors.

We believe that the limitations suggested in connexion with the foregoing scale of salaries will be found to leave in your Honour's hands guarantees for the maintenance of discipline at least as valuable as those now afforded by the system of classification; and that the efficiency of the Department will be increased by the knowledge that advancement in each of the proposed grades will depend entirely upon individual fitness, and that diligent performance of duty will ensure steady progress to the maximum of the grade, instead of such progress being, as at present, interrupted by periods of stagnation occurring between arrival at the maximum of one class and promotion to the next.

Appendix

Loss of Prospects.—As a consequence of reorganisation, and reduction in the number of higher appointments, supervisors, officers, and assistants have all suffered considerably in their prospects of promotion. The following figures will show how serious the retardation of promotion in the various grades has become since 1874. It was then officially stated to the Playfair Commission on behalf of the Board of Inland Revenue that the average service in the grade of assistant, ride officer, and division officer was as follows:—Assistant, 4 years; ride officer, 5 years; division officer, if selected for examiner, 5 years. The corresponding figures at the present time are:—Assistant, 8 years; second class officer, 9 years; first class officer, 9 years.

In 1874 the service of junior inspectors ranged from 20 to 22 years, in 1888 the junior inspectors of the second class have served upwards of 30 years.

It is respectfully submitted that the retardation of promotion revealed by the foregoing figures is not by any means compensated for by the increases which have taken place in salaries.

The officials affected do not expect that higher appointments shall be either created or maintained merely to provide a flow of promotion, but it is respectfully submitted that in dealing with the question of salaries, the loss of prospects ought to be taken into consideration. That this suggestion involves no new principle is manifest from the fact that the Revenue Estimates for 1888–89 show a provision for "compensation for loss of prospects" in the case of senior registrars in the Legacy and Succession Duty Department. The same principle has been admitted in the case of lieutenants in the Navy; the Navy Estimates for 1888–89 provide for an increase in the pay of those officers, and the memorandum issued by the First Lord of the Admiralty observes, "If the promotion of "lieutenants is retarded on grounds of public policy, "it seemed only just that after a certain length of "service their pay should be increased."

Allowances.—*Horse-keep.*—The allowances for horse-keep were fixed at the present amounts at a period when the malt tax was in existence. Malting was usually suspended during the summer months, and as officials had an opportunity of putting their horses out to grass, they were enabled not only to allow them to obtain rest and renewed vigour, but also to keep them at a less cost during the "silent" season. At the present time, and ever since the imposition of the beer duty, journeys are as frequent during the summer as during the rest of the year, so that not only is the expense of keeping the horse increased, but the animal's endurance is subjected to a more severe strain, with the inevitable result of diminishing its selling value. Further, the area of stations and districts has, in most instances, been considerably enlarged by the reorganisation of September, 1887; thus the work of the official's horse has been still further increased, and it is respectfully submitted that the sum which barely sufficed to cover the cost of horse-keep in the days of the malt tax, is quite inadequate for that purpose under present conditions.

Travelling.—It is respectfully submitted that in fixing the present allowances sufficient consideration has not always been given to the increased distances resulting from the reorganisation of last year. It is also respectfully submitted that in a large number of first class stations, the officers are obliged to use public conveyances, it being impossible to travel on foot the distances which their duties compel them to go, as the time occupied in walking would seriously encroach upon that necessary for sufficient attention to the interests of the revenue.

Attention is respectfully directed also to the pecuniary loss suffered by senior assistants when placed in charge of second class stations. An allowance for travelling being immediately necessary in the case of the fixed officer of such a station, we submit that the officiator, who has to perform all the officer's duties in his absence, ought to be enabled to do the necessary travelling without having to trench upon his small salary for that purpose.

It is respectfully submitted as a general principle *that no official should be required to travel at his own cost when such travelling is necessary in the interets of the Revenue.*

Office Accommodation.—In the majority of cases the sums allowed to officials are considerably less than those for which similar accommodation could be obtained elsewhere in the same locality. An annual allowance of 5*l.* for the use of a room in suburban London, in Manchester, or in Birmingham is certainly far below the value of the accommodation afforded, and it is felt by supervisors and officers that they should not be compelled by reason of their position, to give up a portion of their homes for less than the fair value, as determined by the circumstances of the neighbourhood.

Leave.—The present amount of annual leave is felt by both supervisors and officers to be insufficient for recruiting the energies which are so heavily taxed by the unremitting round of duties devolving upon them. We respectfully submit the following as an equitable scale, viz.:—

For officials under 10 years' service 21 days.
For officials over 10 years' service - 28 days.

In conclusion we hope that the foregoing statement of the views of the ranks we represent will not be regarded as exhibiting any want of recognition of the improvements already effected, but rather as a respectful restatement of the claim for equality so long preferred, and advocated by the mass of the service; and we beg to reiterate our earnest hope that your Honours may succeed in securing the speedy fulfilment of our long-cherished desire, and thus restore to a department whose members have been stated upon high authority to be "second to none in intelligence, in assiduity, and in attention to their duties," that feeling of contentment which is essential to the development of the highest efficiency.

We remain, Honourable Sirs,
Your faithful Servants,

Executive Committee of Supervisors, Officers, and Assistants.

London,
November 1888.

Inland Revenue,
Somerset House, W.C.,
Sir, 26th November 1888.

The Board have carefully considered a memorial which has recently been addressed to them signed by several supervisors, officers, and assistants on the subject of the existing conditions of salaries, promotion, allowances, and leave, which has been forwarded to the Board by Mr. J. G. Cunningham, Officer of Islington, 3 Station (1st Class).

The Board observe that the principal request urged by the Memoralists is for a general increase of salaries and allowances to an extent of about 150,000*l.* on the mean, and 300,000*l.* on the maximum cost of the present Outdoor Excise Branch of the establishment.

The Board cannot refrain from expressing their regret that such a request should have been made. In their opinion it is one which no Government would be likely to entertain, and certainly one which the Board are quite unable to recommend.

The Board must remind the Memorialists of the numerous and great advantages which have been conferred upon the Service during the last few years, and by which so much of what has been asked for by them in former years has been granted. In the year 1881 Supervisors of the 1st Class had their salaries raised from—

260*l.* by 10*l.* to 300*l.* to 280*l.* by 10*l.* to 320*l.*

Supervisors of the 2nd Class from—
230*l.* by 10*l.* to 250*l.* to 230*l.* by 10*l.* to 270*l.*

In 1884, Division Officers, whose salaries previously were 140*l.* by 5*l.* to 200*l.*, were granted the following scale of salary:—

155*l.*, after 4 years by 5*l.* to 170*l.*; thence by 7*l.* 10*s.* to 200*l.*

In 1886, Division Officers were granted a salary of 155*l.* by 5*l.* to 170*l.*; thence by 7*l.* 10*s.* to 200*l.*

In February 1887, Examiners were granted a salary of 220*l.*, and Expectant Examiners 200*l.*, while in September 1887, the last increase given to officers of the classes of the Memorialists was from the previous rate as follows:—

	£	£	s.	£
Supervisors, 1st Class -	300 by	10	0 to	350
,, 2nd ,, -	240 by	10	0 to	280
Expectant Examiners -	220			
Officers, 1st Class -	155 by	5	0 to	170
then	170 by	7	10 to	220
,, 2nd ,, -	115 by	5	0 to	140

In 1882, private leave was increased from 14 to 21 days per annum in the case of all Officers after five years' service.

In November 1883, allowances were granted to supervisors and officers for the partial use of a room in their houses as an office in places where public office accommodation was not provided. The allowances were:—

Supervisors	- - -	7*l.* per annum.
Officers	- - -	5*l.* ,,

The Board desire to distinctly inform the Memorialists that after these liberal concessions, which were granted by the Lords of the Treasury on the recommendation of the Board, after prolonged and earnest inquiry, it is impossible for them to propose or support any further general scheme for the revision of Salaries and Allowances.

As regards the slowness of promotion of late years, of which the Memorialists complain, and which has been mainly caused by the introduction of the Beer Duty, and the temporary increase in the number of the officers which that measure rendered necessary, the Board have only to observe that they have already endeavoured, and will continue to endeavour, to meet the difficulties that have arisen in every legitimate manner within their power.

It is, however, obvious that in all services promotion may at times be unusually slow or unusually rapid, and that all Civil Servants must be prepared for such contingencies; and it cannot be admitted that any abnormal slowness of promotion furnishes a ground of claim for compensation. So far as promotions have been retarded by the recent re-organisation, the Board are of opinion that the improvements in the Scales of Salaries have compensated the Service generally for any loss of prospects caused thereby.

The Board must inform the Memorialists that in fixing the present allowances for travelling the increased distances resulting from re-organisation were most carefully considered.

The Board are quite prepared as far as possible to place senior assistants in collections in which it will not be necessary for them to take charge of Second Class Stations, and to mitigate as far as lies in their power the inconvenience which has arisen from the delay which has taken place in their promotion.

The Board, in conclusion, regret that they do not at present see their way to an extension of the amount of annual leave, which has already been increased from 14 to 21 days, without adding considerably to the expense.

You will acquaint Mr. Cunningham accordingly.

I am, Sir,
Your obedient servant,
(Signed) Robert Micks.

The Collector of Inland Revenue,
London, North.

The Honourable the Commissioners of Inland Revenue,
Somerset House, W.C.

Inland Revenue Office,
30, Compton Terrace,
Islington, N.
29th December 1888.

Honourable Sirs,

With reference to your Honours' reply to the petition recently submitted on behalf of the supervisors, officers, and assistants of Inland Revenue, I have been requested by my colleagues on the Executive Committee to ask your Honour's patient attention to the following observations.

It is most respectfully submitted that careful calculation of the probable addition to expenditure which would be involved by granting the increase of salaries and allowances asked for, leads the Committee to conclude that the amount required would probably never reach 150,000*l.* per annum, and that several years must elapse before the annual cost would be incressed by anything like that sum.

It is believed that the amount mentioned would not only be ample to provide for the increase of salaries, &c., but would also suffice for a proportionate increase in the non-effective charges. It is submitted that less than 20,000*l.* would meet the claims of the service for the first year, and that the subsequent addition would not exceed 15,000*l.* per annum, even assuming no further diminution in the number of officials employed. The tendency to reduction appears to be a constant factor, and it is submitted, keeping that tendency in view, that the annual addition to the Estimates would not be a large sum, and that, probably within a short time, no further addition would be necessary.

It is, further, most respectfully submitted whether the cost of satisfying the claims preferred should not be a consideration of secondary importance, and whether the question primarily to be considered is not, "Are "the services rendered by the petitioners of value "equivalent to the salaries for which they ask?" Upon this subject it is most respectfully submitted that the Department itself furnishes evidence that the claims preferred are strictly moderate and reasonable. In connexion with the question of salaries it is also respectfully submitted that the total cost of collection now is 3*l.* 8*s.* per cent., being one per cent. less than it was 40 years ago; that the addition of the whole sum of 150,000*l.*, if so large an amount were needed, would raise the cost by ·6 per cent. only, and that the addition for the first year would not be ·08 per cent., and in subsequent years would be less than ·06 per cent.

For the purpose of comparison, the case of clerks in collectors' offices at once suggests itself. Several of the members of the executive committee have served as clerks, and are therefore well fitted to form an opinion as to the relative value of the services rendered by clerks and officers respectively. They have no doubt that any person conversant with the duties of both classes of officials must admit that the duties of an officer are quite as responsible as those of a first class clerk, and that the officers' dealings with all classes of the public call for the exercise of at least as much tact and patience as is required by the clerk in his transactions with the public. Yet the maximum salary of a first class clerk now reaches 280*l.*, while that of a first class officer reaches only 220*l.* The clerk also proceeds by regular increments to 220*l.*, without "break or barrier," and the increment of 7*l.* 10*s.* commences when the salary of 140*l.* is reached, after eight years' service as clerk. On the other hand, the officer remains for at least three years at the salary of 140*l.*, and does not receive any higher increment than 5*l.* per annum until the salary of 170*l.* is reached; and at the present time there are officers who have served upwards of 17 years, and have not yet begun to receive the 7*l.* 10*s.* increment. Taking all these facts into consideration, your petitioners feel that in asking for a maximum salary of 250*l.* per annum for officers, they are advancing a claim which is based upon equitable grounds.

The maximum salary of a superintending clerk is now 350*l.* per annum; that is, it equals that of a first class supervisor. Those acquainted with the duties performed by these officials respectively must allow that the duties of the supervisor are much more onerous in point of responsibility, time, and conditions of labour, and call for the exercise of more discrimination than those of the superintending clerk. It is impossible, therefore, to avoid the conclusion that the supervisor is considerably underpaid as compared with the superintending clerk.

Another branch of the Department, the office of the Controller of Stamps and Stores, has recently been classified. The salary of a clerk of the first class commences at 310*l.*, and proceeds, by annual increments of 15*l.*, to 400*l.* It is most respectfully submitted that the duties performed by Supervisors of Inland Revenue are as responsible, and as valuable as those performed by first class clerks in the Controller's office. Yet, whilst the clerk in the Controller's office can reach 400*l* per annum without passing any examination, the Supervisor of the first class, whose books have been subjected to three severe tests, and whose personal qualifications have been subjected to a searching trial before his promotion from the rank of officer, can look forward, with certainty, to 350*l.* per annum only. Unless it could be assumed that the duties of a first class clerk in the Controller's office are of a more responsible nature than those of a supervisor, the conclusion is inevitable that the supervisor's salary is not commensurate with the value of his work.

The salaries of clerks of the fourth class in the Controller's office commence at 70*l.*, and proceed, by 5*l.* per annum, to 140*l.*; and the salaries of third class clerks commence at 150*l.*, and proceed, by 10*l.* per annum, to 240*l.* It is most respectfully submitted that the duties performed by these officials are not of so responsible a nature as those performed by assistants and officers of Inland Revenue. The work of the clerks is performed under favourable circumstances,

Appendix.

and, as a rule, does not occupy more than seven hours daily, while Excise officials have usually to perform their duties under unfavourable circumstances, and the hours are unlimited and, generally, irregular; yet the clerk's salary goes steadily on by annual increments, while the assistant's salary is increased by two triennial increments only, of 7*l.* 10*s.* each, and even this meagre increment accrues only to the juniors, who form not quite one-third of the whole class. The seniors, some of whom have completed, and many of whom have entered upon their eighth year of service, have practically received no increment during their whole career. In the case of the clerk in the Controller's office, the increment is raised to 10*l.* upon his entering the third class, while the highest increment at present received by any officer is but 7*l.* 10*s.*

It is respectfully submitted that the comparison instituted with clerks in Collectors' offices, and with clerks in the office of the Controller of Stamps and Stores —the two branches of the Inland Revenue Department in which salaries have very recently been revised— clearly shows that the claims preferred by the supervisors, officers, and assistants are, as has already been stated, moderate and reasonable. It is, therefore, most respectfully asked that the recent petition should receive your Honours' sympathetic reconsideration.

The various concessions enumerated in your Honours reply have been most gratefully accepted by the Out-door Branch of the Department, but they have been regarded as instalments of justice, and the committee can only respectfully repeat the statement of the petition as to the measures which would restore a feeling of satisfaction to the Department. While the improvements in the scales of salaries, as set forth in your Honours' reply, are gladly admitted, justice to the Out-door Branch demands that attention should be drawn to the effect of retarded promotion in preventing individual possession of apparent advantages.

Upon the question of slowness of promotion, the committee most respectfully beg to remind your Honours that the petition points out a means whereby remuneration for services rendered would be less liable to fluctuate with fiscal changes or with reorganisation.

With regard to allowances for travelling and horse-keep, it is respectfully pointed out that, while improved allowances have been granted for travelling, the allowance for horse-keep has not been increased, although the distances to be travelled have been augumented, firstly, by the transfer of the duty from malt to beer, and, secondly, by the reorganisation of September 1887.

As regards Senior Assistants, the Committee very respectfully express a hope that immediate steps will be taken by your Honours to place these officers in collections where it will be necessary for them to take charge of second class stations.

On behalf of assistants, it is submitted that the "inconvenience" of deferred promotion and loss of salary is not one which will terminate upon appointment to a fixed station. It will remain attached to the individual during the whole of his official career.

It is with a view to prevent the continuance and recurrence of such circumstances that the committee ask your Honours to grant a service scale of pay. The result of fiscal changes, or departmental reorganisations, would then cease to operate as heavy pecuniary penalties on sections of the service.

The extension of leave from 14 to 21 days annually has been most gratefully acknowledged by the Out-door Branch, and it is still hoped that your Honours will admit that the claims of an officer of 10 years' service to 28 days' leave to be quite as good as those of a clerk of like service.

I am, Honourable Sirs,
Your obedient servant,
JOHN G. CUNNINGHAM, Officer,
Islington 3 Station,
(*1st Class*).

Inland Revenue,
247, Hampstead Road, N.W.,
SIR, 11th January 1889.

WITH reference to your letter to the Board of the 29th ultimo, the Board direct me to acquaint you that they have nothing to add to their former letter on the subject of the existing conditions of salaries, promotion, &c. in this Department.

I am, Sir,
Your obedient servant,
(Signed) SAMUEL M. BALLS.

Mr. J. G. Cunningham,
Islington 3 Station.

(13.)

(*Paper handed in by Mr. Crowe.—See Question No.* 25,213.)

ALLOWANCE for HORSE-KEEP.

It has been thought advisable to supplement the remarks made respecting the allowances for horse-keep in the "Amended Statement" already submitted, by a more detailed account of the expenses incurred, and the losses sustained in keeping horses for official purposes. The allowances are 55*l.* per annum for supervisors, and 40*l.* for second-class officers; and when it is remembered that these respective amounts are intended to cover the cost of the purchase of horse, trap, harness, &c., of feeding, stabling, grooming, shoeing, and all other incidental expenses, as well as to provide for losses, from accidents and wear-and-tear, it cannot but be admitted that they are very meagre indeed, especially in the case of the officers. When the present allowances were fixed the officers' horses, in most instances, had to work only nine months in the year, and were generally put out to grass for the other three, during which the cost of the keep was comparatively small, while the rest had a reinvigorating effect upon them. At the present time the work is continuous, and the mileage has been so much increased by re-scheming, more particularly in September 1887, that the horses have to be kept in good, hard condition from year's end to year's end; and, even then, many officers find it necessary to hire occasionally to keep their horses on their legs.

An officer in Cambridge Collection writes to say:—

"I have now kept a horse for more than eight years and my experience satisfies me that the present allowance is totally insufficient. Were it not that I have been accustomed to handle horses since my boyhood, I should have been a very great sufferer. Taking one year with another, no officer can provide and keep a useful horse on 40*l.*, unless he is exceptionally fortunate. The present allowance implies that the officer must, with his other accomplishments, be an expert groom, and on this account it is looked upon by many as a veiled insult to the whole out-door department. Since the re-scheming of September 1887, the work of many of the stations is too much for an ordinary horse, indeed, during the winter of 1887–88 I had to keep two horses myself. I have since sold one at a loss of 3*l.* and six months' keep. Still I have been more fortunate than others. The officer of an adjoining station, when coming from Wales, as the result of re-scheming some two or three years ago, to take up his appointment, had the misfortune to have his horse's neck broken in the railway horse-box. The railway company and the Board expressed their regret, but did nothing to compensate him for his loss. He then applied for the usual advance of 20*l.*, and bought another, a young one, which cost, when 'broken,' about 25*l.* He also last year bought a bicycle, which he frequently used that he might rest his horse. About three months ago, when out on survey, he met with an accident; the shafts of his trap were broken; he and his child were thrown violently out on the road, and narrowly escaped with their lives; and the horse ran away and broke its knees. It was in the veterinary's hands for some time, and it is not now worth much more than half what he paid for it. In another adjoining station, the officer's

horse dropped dead in the stable yard, breaking one of the shafts of the trap in its fall. The officer petitioned the Board to be allowed the original cost; but though his application was strongly supported by his collector, and by his supervisor who witnessed the occurrence, he was informed in reply, that 'they (the Board) were 'very sorry for his misfortune, but they had no funds 'at their disposal to make good the loss.' An officer in a station adjoining his lost a valuable horse about the same time. It shied, and jumped into a Fen dyke, and was drowned before help came. These cases have all occurred in the course of a few years, and in the same neighbourhood.

"The following is a list of the average weekly expenses incurred in keeping an ordinary horse:—

	s.	d.
Hay (6 stones)	4	0
Oats (1½ bushels)	5	0
Straw	0	9
Bran and chaff	1	3
Stable and coach-house	2	6
Shoeing and clipping	0	9
Washing and cleaning trap and harness	1	0
Shoeing wheels and keeping trap and harness in general repair	1	0
Putting up and holding horse when out on survey	1	0
Interest on money sunk in horse and trap, &c.	0	6
Total	17	9

"This does not take into account the grooming of the horse, nor does it make any provision for ordinary wear-and-tear, or veterinary's charges. There should be a margin of at least 5*s.* a week for these purposes, making in all 1*l.* 2*s.* 9*d.* a week, while the allowance is only 15*s.* 4*d.*!"

An officer in Nottingham Collection states, respecting losses incurred by him from depreciation in value alone while he was compelled to keep a horse for revenue business:—

"The first horse I had cost me 35*l.* After having it a year it went lame. I turned it out till it recovered; and fearing it would go lame again, the vet. advised me to sell it. I sent it to the nearest repository where it fetched 17*l.* 17*s.*—

	£	s.	d.
The expenses of sale, &c. were 1*l.* 4*s.*, I consequently lost	18	7	0
"The second horse I bought cost me 30*l.* This one also after two years became lame and never recovered, and was only fit to work on land, and I had to sell it for 5*l.* The expenses connected with its lameness amounted to 4*l.* 18*s.* 6*d.* My loss on this horse was	29	18	6
"The loss I sustained on sale of trap when proceeding to my first class station was	10	10	0
Loss on harness	1	12	6
Loss on bridle and saddle	2	5	0
Total	62	13	0"

It is only, however, when we compare the allowances of supervisors and officers with those granted to superintendents and inspectors of police that their inadequacy becomes fully apparent. In the case of the police, the allowances are fixed by the magistrates at quarter sessions, and are paid by the respective counties. These gentlemen are generally well acquainted with the expenses incurred in keeping horses, and, being large ratepayers themselves, they are not likely to be extravagant. Yet the usual allowance granted to superintendents and inspectors when they provide and keep horse, trap, &c. is 60*l.* a year. The following are the allowances granted in the undermentioned counties, and they may be taken as fairly representative cases:—

Cambridgeshire and Huntingdonshire:—Horses, carts, harness, stabling, &c. provided. Allowance for forage, 2*s.* 3*d.* a day.

Leicestershire:—60*l.* for forage and farriery; but horses, carts, and harness provided by county.

Lincolnshire:—50*l.* yearly to provide and keep horses. Carts, harness, &c. provided by county.

Northamptonshire:—50*l.* yearly for forage. Horses, carts, &c. provided.

Staffordshire:—60*l.* a year for purchase and keep of horses; but carts and harness, &c. are provided by the county.

R. Crowe.
Second Class Officer.

J. N. Stickland.
Second Class Officer

March 1889.

Appendix.

(14.)

(*Paper handed in by Mr. Symons.—See Question No.* 25,612.)

To the Honourable the Commissioners of Her Majesty's Customs.

Honourable Sirs,

We, the undersigned Examining Officers of the Port of London, feel that the time has arrived when we are compelled to approach your Honours with regard to the heavy expenses incurred in travelling to and from our duties.

Before London became so extended, and when officers were less liable to changes of stations, little difficulty was found in providing dwellings within walking distances of our places of employment, but at present it is almost impossible for any officer to reside in a locality whence he can reach his place of employment without incurring travelling expenses.

We would respectfully submit that under existing regulations your Honours admit the principle of recouping officers for expenses incurred in travelling by granting allowances to officers employed at Royal Victoria and Royal Albert Docks. These regulations, however, present an indefensible anomaly in exempting officers living in one locality while including those living in another, thus conferring advantages on residence in particular districts.

We would further submit that our position in this matter is unfavourable when compared with that of officers at outports who can reside within walking distance of their stations, thereby rendering travelling expenses unnecessary.

In asking for these allowances your Petitioners are encouraged by the following opinion expressed in the Third Report of the Playfair Commission:—

> "We are clearly of opinion that no officer should be out of pocket by reason of extraordinary expenses for official purposes, except where the salary may have been fixed with a special view of including such expenses."

In submitting this petition to your honourable Board we would respectfully point out that a strong feeling exists in London on the question, as shown by the number of applications from London officers for transfer to outports.

We are convinced that your Honours are animated by a desire to deal equitably with your officers, and it is therefore with confidence we ask your favourable consideration of our petition.

We have the honour to be,
&c

The Examining Officers and Out-door Officers ask for an annual allowance for travelling expenses.

B. O. 24th October 1888 on 29380 and 29,381
1888.

"The Board cannot entertain these requests."

(Signed) H. M.

Appendix.

(15.)

(Paper handed in by Mr. Symons.—See Question No. 25,612.)

To the Lords Commissioners of Her Majesty's Treasury.

Custom House, London.
September 1888.

The memorial of the officers of Her Majesty's Customs in the Port of London, humbly showeth—

That your memorialists have been led to believe it is contemplated to increase their hours of labour, (1) from the following answer of your Lordships' Financial Secretary to a question in the House of Commons on the 1st March 1888.

> "There had been several schemes submitted to the Treasury, and which were now under consideration, and he hoped to be able to find some means without unduly enlarging the expense which would fall upon the Department to either extend the hours of Custom House officers or to modify the overtime charge, or to do both in the interests of merchants."

(2.) From the following reply of the Right Hon. the Chancellor of the Exchequer to a deputation from the Chamber of Shipping and the Associated Chambers of Commerce on the 10th April 1888.

> "With regard to an extension of the hours during which the landing of duty-paying articles might take place, he thought he should be able to meet to some extent the views of the shipowners. The matter had been under consideration, and he thought the extension would be effected, though whether only experimentally at first he could not say."

That the hours of labour of Customs officers in London are:—

(1.) On the waterguard:—1st day from 8 or 9 a.m. till dusk, 2nd day for 24 consecutive hours, 3rd day off duty, and so on, Sundays and Bank holidays being included, while on some stations officers are required to be on duty without sleep every alternate 24 hours. (2.) On duties in connexion with the landing and clearing of free goods, from 6 a.m. to 6 p.m. for eight months, and from 9 a.m. to 4 p.m. for four months. (3.) On all other duties from 8 a.m. to 4 p.m. for eight months, and from 9 a.m. till 4 p.m. for four months.

That the Report of the Commissioners of Customs for 1852 stated:—

> "When it is considered that even under the present hours the officers are compelled to be up every morning by 6 o'clock to enable them to breakfast and reach their respective stations by 8 o'clock, that from that hour to 4 p.m. they are continuously employed, that the nature of their duties subjects them to exposure on open quays in all weather, and that few can reach their homes before 5 o'clock after an absence of 10 hours, we think they are entitled to assume that there is no class of Government officials of the same standing on whom such arduous duties are imposed."

That owing to the extension of the Port and the more frequent changes of officers from one station to another, the time spent away from home has of late years been considerably increased.

That the hours of labour in the Customs out-door Department are much longer than in any other department of the Civil Service.

That the Horsfall Committee in 1862 strongly recommended that officers of Customs should not be employed for more than eight hours per day without additional remuneration.

Your memorialists therefore pray that your Lordships may favourably consider the facts embodied in this memorial and decline to sanction any scheme for increasing their hours of labour. They also pray that, as their hours are often excessive, your Lordships may be pleased to direct that eight hours per day shall be the maximum service required without additional remuneration, and that less than eight hours per day shall be required when officers attend before 8 a.m. or after 4 p.m.

And your memorialists will ever pray.

Signed by 728 officers.

Treasury Chambers,
23rd January 1889.

Gentlemen,

The Lords Commissioners of Her Majesty's Treasury have had before them a memorial from certain examining and other officers of the Port of London urging that no extension should be made in their hours of labour in the event of the hours within which goods may be landed and shipped in the Port, being prolonged.

My Lords understand that you have already informed the applicants that it is not in contemplation, in any extension of facilities that may be granted to shipowners for the landing and shipping of cargo, to add to the total number of hours per man per day now required to be given by officers of the Department when employed on that duty. Their Lordships have nothing to add to that assurance, and I am to desire that you will so inform the memorialists.

I am, &c.,
(Signed) R. E. Welby.

The Commissioners of Customs.

(16.)

Paper handed in by Mr. Strickland.—See Question No. 25,827

Comparison of Probable Cost of proposed New Classification, with Cost of Present Classification.

Rank.	Classification of 1883.				* Present Classification from "Estimates."				Reduction.
	Number.	Minimum Salary.	Increment.	Maximum Salary.	Number.	Minimum Salary.	Increment.	Maximum Salary.	
		£	£ s.	£		£	£ s.	£	
Inspector - -	1	600	25 0	700	1	600	25 0	700	—
Assistant Inspector - -	1	560	15 0	590	1	560	15 0	590	—
First-class Surveyors -	3	490	15 0	550	3*	490	15 0	550	—
Second-class „ - -	6	420	15 0	480	4	420	15 0	480	2
Third-class „ -	10	350	15 0	410	8	350	15 0	410	2
First-class Examining Officers.	43	220	10 0	300	38	220	10 0	300	5
Second-class Examining Officers.	150	110	7 10	220	92	110	7 10	220	58
Assistant Examining Officers	—	—	—	—	67	100	3 0	150	—
	214	34,610		55,820	214	32,290		49,830	

* In the *existing* staff there are only two First-class Surveyors. It is not known whether the other First-class Surveyorship is vacant, or has been abolished.

The PROPOSED NEW SCHEME of SALARIES might be worked out as follows: Appendix

	Rank.	Minimum Salary.	Increment.	Maximum Salary.
		£	£	£
20	Assistant Surveyors (a new class to be formed from the present First-class Examining Officers).	250	10	350
100	Examining Officers	150	10	250
80	Assistant Examining Officers	100	5	150
200	Totals	28,000		41,000
	* Add existing Staff, viz.:—			
2	1 Inspector	600	25	700
	1 Assistant ditto	560	15	590
14	2 Surveyors, 1st Class	490	15	550
	4 „ 2nd „	420	15	480
	8 „ 3rd „	350	15	410
		6,620*		7,590
216	Total.	34,620		51,590
	Officers (2 increase.)	Aggregate Minimum Salaries.		Aggregate Maximum Salaries.

(17.)

(Paper handed in by Sir R. Welby.—See Question 22,164.)

CORRESPONDENCE between the INLAND REVENUE, the TREASURY, and the CUSTOMS, arising out of a proposal by the Customs to take over certain Bonded Warehouses within the Ports of London, Dublin, and Cork, now under the Inland Revenue.

Treasury, 15205.

MEM. SIR R. WELBY, September 19th, 1888.

THE Customs having suggested to the Inland Revenue that the bonding arrangements at London, Dublin, and Cork, should be reviewed, the former by a joint committee of the two Boards, the two latter by the local officers working in concert, the Inland Revenue object to the proposal, though they would welcome a re-appointment of the Treasury Warehousing Committee, with the view of considering generally the arrangements at the 42 places not yet dealt with, and, if necessary, reviewing those previously settled.

I think we should hear what the Customs have to say to this suggestion and in support of their own.

G.G. 22/9/88.

Refer to the Commissioners of Customs.

(Signed) G. GLEADOWE.

22/9/88.

Secretary, Customs, No. 28565/1888.

Inland Revenue, Somerset House, W.C.,
September 18th, 1888.

MAY IT PLEASE YOUR LORDSHIPS,

WE are in receipt of a letter from the Board of Customs, in which they propose that the bonding arrangements in London, Dublin, and Cork should be reconsidered, with a view to certain warehouses which are now under the control of this Board being transferred to the Customs.

With regard to Dublin and Cork, the Board of Customs state their opinion that their local officers would be probably capable of reporting jointly on the subject, so as to come to a satisfactory result.

And with regard to London, the Board of Customs propose a joint inquiry by the two Boards.

We consider that the principle raised in these proposals is so important as to render it necessary that we should submit the matter for the instructions of your Lordships; and in doing so it appears to us desirable to place before your Lordships a *resumé* of the manner in which the existing bonding arrangements have been adopted.

The numbers quoted in the margin of this report refer to the pages in the printed correspondence relative to warehouses. 20909 80.

In the year 1880 a Treasury Committee was appointed to inquire into the whole bonding system in Customs and Inland Revenue Warehouses. 20218 80.

This committee consisted of one of the Lords of the Treasury and the chairmen of the two Revenue Boards.

In February 1881 the committee recommended that, in districts where there are duplicate establishments, all of them should, as far as practicable, be transferred to one Revenue Board. They further recommended the appointment of a sub-committee, who should confer and draw up a scheme for carrying this proposal into effect, and submit if for the consideration of the committee. Page 4. 4162 81.

Your Lordships adopted the committee's recommendation, and a sub-committee, consisting of two officers from each department, and, at first, one of the principal clerks in the Treasury, was accordingly appointed. Page 4.

In March 1883 the Treasury Committee made a further recommendation that a sub-committee should be employed in reporting on the steps to be taken for transferring to this Board bonded warehouses at minor Customs ports, in which it might appear that such transfer would be desirable. Page 155.

The necessary local inquiries extended over more than two years, during which the Treasury Committee made from time to time various recommendations, which were adopted by your Lordships.

As the result of these recommendations, the number of duplicate warehousing establishments was reduced from 35 to 7, exclusive of Limerick, where the Crown warehouse remains under this Board, and all the other warehouses are under the Customs; and also exclusive of a few warehouses occupied by distillers, and the bonded warehouses at 41 minor Customs ports, were transferred to this Board.

In the 11th report of the Treasury Committee, dated 16th November 1883, they reported that a saving of Page 209.

Appendix.

15,000*l.* per annum had been effected by these arrangements "without any diminution whatever of the facilities "given to the public, but rather, if we may judge from "the reports which reach us, to the satisfaction of all "concerned."

The committee further added:—

"There remain a large number of places (61) at which warehousing business is still performed by the Board of Customs. Of these places we append a list, from which it will be seen that at only 19 places is the business extensive, while we are strongly of opinion that at the other ports (42) in the list, investigation by the practical officers of the two Revenue Boards would show that the work could be more economically performed by the Board of Inland Revenue."

The committee accordingly recommended that your Lordships should issue instructions to both Boards to bring about a transfer of business in the lines thus indicated.

Page 205. 19421/83.

This recommendation was adopted by your Lordships on the 17th December 1883, but the transfer was stayed in the following year by the Chancellor of the Exchequer.

Having thus put before your Lordships the general position of the question, we beg to state that we should welcome with satisfaction the re-appointment of the Treasury Warehousing Committee, with a view to the consideration of the places not hitherto dealt with, and, at the same time, if deemed expedient, of reviewing any settlements which were previously made.

But we desire to deprecate in the strongest manner the dealing with this important subject piecemeal, and we, therefore, cannot concur in the proposal of the Board of Customs for the departmental reconsideration of the present arrangements in London, Dublin, and Cork.

These being our views, we do not propose at present, pending any further instructions from your Lordships, to offer any observations on the merits of the Customs proposal, but merely to point out that the arrangements which it is now proposed to alter were made in each case after a very careful consideration of all the circumstances.

We have, &c

(Signed) ALGERNON WEST.
F. LACY ROBINSON.
SIDNEY F OSBORNE.

Secretary, Customs, No. 28565/1888.

TO THE LORDS COMMISSIONERS OF HER MAJESTY'S TREASURY,

Treasury, 16205/1888.

YOUR Lordships have referred to us the annexed report from the Board of Inland Revenue, dated the 18th ultimo, on the subject of a proposal made by this Board for a reconsideration, departmentally, of the bonding arrangements at the ports of London, Dublin, and Cork, with a view to a possible transfer to the Customs of certain warehouses within those ports which are now under Inland Revenue control.

The Commissioners of Inland Revenue state that, whilst they deprecate dealing with the subject piecemeal, they would welcome, with satisfaction, the re-appointment of the Treasury Bonded Warehouse Committee, with a view to the consideration of the places not hitherto dealt with, which would include London, and, at the same time, if deemed expedient, of reviewing any settlements previously made.

In their report, the Board of Inland Revenue recapitulate the circumstances attending the formation of the Treasury Bonding Warehouse Committee in 1880, and the recommendations made during the three subsequent years by that committee.

The policy adopted in pursuance of those recommendations will be within the knowledge of your Lordships, and it is not our purpose, therefore, to refer to them at length in the present report. We may, however, observe that previously to the appointment of that Committee, we had already taken the initiative in drawing attention to the subject of bonding arrangements, and in recommending the reduction of the number of Customs bonded warehouses in the United Kingdom. In our report to your Lordships, dated 8th September 1880, No. 306, we submitted the withdrawal of bonding privileges at Gainsborough, Woodbridge, and Maldon, for reasons which we set forth in detail; and we stated that we proposed to bring under your Lordships' notice subsequently the position of several other of the minor warehousing ports which we considered might be similarly dealt with. Your Lordships, by your Order of the 24th September 1880, No. 16099, approved of our proposal with respect to these three ports (in two of which, however, viz., Woodbridge and Gainsborough, bonding privileges were subsequently restored by the Inland Revenue) and of the extension of the principle on which the reduction of them was made to others similarly circumstanced.

On the 23rd November 1880, and the 7th January, 1881, we transmitted a list and full details of the business of 14 other small warehousing ports which we proposed for reduction, and your Lordships were pleased to approve of our recommendations. Bonding privileges were accordingly withdrawn from these ports also at a mean annual saving on establishments of 3,355*l.*

At the close of 1880 the Treasury Bonded Warehouse Committee was appointed by your Lordships, and the guiding principles laid down by the committee were (1) the assimilation of the bonding regulations in the two departments; (2) that at ports where there were duplicate establishments of Excise and Customs, the control of them should, as far as practicable, be transferred to one or other Revenue board; and (3) that the number of bonded warehouses should be reduced to the actual requirements of the trade of the port or district.

These principles were, to some extent, modified in the further report of the committee, dated the 8th of August 1881—a modification which bears directly on the question now at issue—and it was recommended (*a*) that in the case of ports at which there were bonded warehouses under each of the two departments, all the warehouses which were situated at, or in close proximity to, the quay or harbour, should, as a general rule, be placed under the Customs, and the warehouses in other parts of the town under the Excise; (*b*) that no new warehouses should be approved unless, in the case of ports, the Commissioners of Customs and Inland Revenue alike concur in the desirability of increased bonding accommodation. This principle, we may remark in passing, has lately been extended by your Lordships (letter to Customs, 15th October 1888, No. 14959/1888), so far as to make it necessary for both departments to concur in proposed extensions of bonding accommodation *at any place* in the United Kingdom, the effect of which direction will, as we understand it, be to make it necessary for the Board of Inland Revenue to consult this board as to proposed extensions of Excise bonded warehouses at any inland place, as well as at any port, this board continuing to consult the Board of Inland Revenue as to any proposed extensions of Customs bonding accommodation at ports, whether there are already Excise warehouses at such ports or not.

The recommendations of the Bonded Warehouse Committee received the approval of your Lordships, were duly communicated to us, and, since the receipt thereof, we have steadily endeavoured to give effect to your Lordships' instructions in dealing with applications for the extension of bonding accommodation, not sanctioning such extensions until we have become fully satisfied of the necessity for them, and making it our rule to consult the Board of Inland Revenue when such extensions have been sought at ports at which both departments have bonded warehouses under their control; and, if we have omitted in any such case to consult the Board of Inland Revenue, the omission has resulted from inadvertence, and we have lost no time in endeavouring to repair such omission by immediately communicating with that department.

We assume that Inland Revenue procedure in such a matter has been, in the main, based on the same principle. Cases have, however, come under our notice in which that board omitted to communicate with us before approving additional warehouses at ports at which there are bonded warehouses under each department. The cases referred to occurred at the ports of Glasgow and Dublin.

Since the receipt of your Lordships' final instructions and the dissolution of the committee, we have lost no opportunity of closing warehouses which appeared either to be defective, or in excess of the requirements of the port, and, in some cases, we have withdrawn bonding privileges from certain of the smaller ports (Fleetwood and Ramsey, being cases in point), at which economy of management would result from such a course, and the result has been, as stated in our report to your Lordships of the 17th July last, No. 16495/1888, that a net reduction of 133 has been made in the number of Customs' warehouses since May 1884, 170 old warehouses having been closed, against 37 new ones approved.

The cases at Dublin and Cork, in which we proposed to the Board of Inland Revenue to consider the question of transferring some Excise bonded premises to Customs supervision, arose on an inspection last year of those ports by a member of the Board. He reported that certain warehouses at these ports should (from their close proximity to warehouses under our supervision, and the probability that, as we have also necessarily to keep up a considerable staff of officers at these ports for preventive and other Customs purposes, they could be more economically supervised by

us than by the Excise) have been handed over to the Customs at the time when the Treasury Bonding Committee reported as to the warehouses which ought to be transferred from one or other Revenue Department; and, as it appeared to us that certain Excise warehouses within the port of London were also similarly situated in relation to Customs warehouses, we deemed it our duty to communicate with the Board of Inland Revenue on the subject. We expressed our opinion that the care of the specified warehouses at Cork and Dublin could be undertaken by this department, without any addition to the present cost of the Customs establishment, and, therefore, should, in accordance with the principles laid down by the late Treasury Bonded Warehouse Committee, and approved by your Lordships, be handed over to our control, thus permitting of the withdrawal of any Excise force specially or partially detailed for duty thereat. We suggested that the question of transfer could, as regards the warehouses at Cork and Dublin, be considered by the principal officers of the two departments at those ports, and that, with reference to the warehouses in London, inquiry by the two departments should be instituted with a view to ascertaining whether it would not be more economical if those warehouses were taken over by this board. These warehouses either adjoin, or are in close proximity to, large Customs bonded warehouses, which, in London, are mostly, if not entirely, places of deposit for dutiable goods imported directly into the port, and, therefore, bonded warehouses in the strictest sense of the term, and according to the original intention and meaning of the institution, as distinguished from bonded warehouses which are merely places of receipt for goods on removal under bond from other ports or places.

The following are the particulars of the warehouses in question.

Lapps Quay.

Cork.

This warehouse is 250 yards only from the Custom House, and is situated about half way between the Custom House and the Customs warehouse in Smith Street—200 yards distant, beyond Lapps Quay—and must, therefore, necessarily be passed by the officers of this department when proceeding to their station in Smith Street. It is near the water's edge, and, therefore, falls within the scope of the recommendation of the committee that warehouses in close proximity to the quay or harbour should, as a general rule, be placed under this department.

We are informed by the Board of Inland Revenue that the sub-committee decided to continue this warehouse as an Excise warehouse, under the supervision of that department, as it was found that nine tenths of the spirit in it at that time was British spirit, belonging to the Cork Distillery Company.

This circumstance, however, would hardly, in itself, justify the retention of the warehouse by the Excise at a Customs port, and in close proximity to a Customs station, unless it could be shown also that the spirit, or the bulk of it, had actually been distilled on the premises, and this we believe not to have been the case, seeing that, if we are correctly informed, there has been no distillery on the spot within the past 20 years.

But, even admitting the soundness of this argument for its retention by the Excise, it would not now hold good, seeing that since 1882, as we are informed, the business of this warehouse has quite changed its character, being no longer limited, for the most part, to the stock of any one firm or company, but being made use of by the general public for the bonding of all wines and spirits generally; and our collector reports that, as the warehouse is so near the Custom House, he could work it without any additional expense to his establishment. For the above reasons, therefore, it would appear that this warehouse ought properly to be under Customs control, and that economy would result if the transfer were effected.

Queen's Excise Warehouse, and No. 5, North Wall.

Dublin.

These warehouses are close to the Customs warehouses of the Port and Dock Board. They are distant respectively 566 and 522 yards from the Custom House. Practically they are on the river Liffey. They are passed twice a day by a Customs' surveyor on his round of duty in connexion with shipping and warehousing business, and could certainly be worked and supervised by the officers of this Board without any increase to the present cost of the port, as their distance from the nearest Customs warehouse, Stack T, is only 166 and 116 yards respectively.

London.

Appendix.

The following is a list of the Excise warehouses in London to which, as before mentioned, we drew the attention of the Board of Inland Revenue, viz.:—

1. Dean Street, Tooley Street.
2. Hermitage Wharf.
3. Carron Wharf.
4. Haydon Square.
5. Commercial Street, Whitechapel.
6. St. Katharine Docks.

These warehouses are in close proximity respectively to the following Customs stations, viz.:—Depôt, Colonial Wharf, London and Continental Wharf, Crescent Vaults, Minories, Commercial Road Warehouse, and London Docks.

The situation of these premises is, as above described, in the immediate vicinity of Customs bonded warehouses of direct receipt of stock on importation, and at which, therefore, a considerable Customs force must in any case be maintained, and the conditions of business in them (so far as we are informed on the subject) have led us to the conclusion that appreciable economy would result from the change suggested by us to the Inland Revenue.

We would beg special attention to the cases of the warehouses in Haydon Square and Commercial Street. The former is a station of considerable importance, and is practically surrounded by Customs warehouses, such as Cutler Street, Commercial Road, and Metropolitan Vaults, while the latter warehouse lies on the side of Whitechapel opposite to the side in which Haydon Square is situated, and is in the immediate neighbourhood of the extensive Customs premises at Cutler Street.

So far as we are able, on the information available to us, to estimate the cost of the Excise establishment for these warehouses we place it at something approaching 4,000*l.* per annum. Probably some of these officers may have other duties in the neighbourhood which might render it difficult to remove them altogether. But, allowing for considerations of this character, we believe that considerable economy would result from the transfer of these warehouses to the Customs, for, if this transfer were effected, the inspection and survey of them could be undertaken by the existing Customs staff without increased charge on those accounts, and that, by working them as far as possible in conjunction with the neighbouring warehouses, we should be able to provide in a very economical manner for the ordinary daily charge and account-keeping of the stock in them. Hence our proposal to the Inland Revenue for a joint inquiry by the two departments into the subject of these Excise warehouses in London, with a view to determining whether, in accordance with the principles defined by the late Treasury Bonded Warehouse Committee, approved by your Lordships, and by which we have since been guided, they might not with advantage, as regards public expense, be transferred to the care of this department.

In reply to our representations, the Board of Inland Revenue informed us that they were unable to accede to our recommendations that the warehouses referred to at Cork and Dublin should be handed over to the management of this department, and as to the specified Excise warehouses within the port of London, that they had referred the matter to your Lordships.

It is hardly necessary to point out to your Lordships that it is by the application to such cases as these of the main principles laid down by the Treasury Bonding Committee in relation to the supervision of the bonded warehouses at places at which both Revenue departments are fully represented by establishments—principles by which we have endeavoured in all our subsequent action to govern ourselves—that the most economical supervision over the bonded warehouses can be obtained; and we felt that we had no alternative, on becoming aware of the facts, but to draw the attention of the Board of Inland Revenue to the cases in question. We should, in the same manner, have been prepared to consider any similar representations which might have been made to us by that Board in regard to any warehouses under our supervision, which, from an Inland Revenue point of view, might more properly be under Excise supervision; and, as the comparative expense of working the warehouses on behalf of the Revenue is the chief element to be considered in these matters, we cannot but express our regret that the Board of Inland Revenue should, with reference to the cases under notice, have declined to entertain a proposal made with the sole object of securing economy, and should have thought it necessary to trouble your Lordships on a simple matter of administrative business, which we think could have been easily disposed of by the two departments on

Appendix.

principles already well determined, approved of by your Lordships, and successfully applied at various ports. We are, therefore, of opinion that the questions raised by us may be satisfactorily settled between the two departments in the manner proposed by this Board, and that there is no occasion to revive the Treasury Bonded Warehouse Committee for this purpose.

Thus far as to the immediate points at issue, with respect to which we await your Lordships' directions.

We observe, however, that in their report to your Lordships, the Board of Inland Revenue refer to the opinion expressed by the Treasury Committee in their final report, that the warehousing business at 43 ports—a list of which will be found at page 204 of the printed correspondence relating to bonded warehouses — could be more economically supervised by the Inland Revenue than by the Customs Department, and they specially urge the re-appointment of the Treasury bonded warehouse committee to consider this subject.

Presuming that your Lordships, notwithstanding that the question is outside the subject immediately under notice, would wish us to offer observations on this proposal, we would point out that this recommendation of the committee was made before the new uniform system of warehousing accounts (as approved by your Lordships on earlier recommendations of that committee) had been introduced at the Customs outports generally, and before it could be seen to what extent that change would affect Customs establishments at those ports. As a matter of fact, as the new system came to be gradually introduced according to the circumstances of each port, we were enabled by consequent re-adjustments of the duties of officers, and in other ways, to affect at many of the warehousing ports considerable reductions of establishment, the particulars whereof were, from time to time, reported by us to your Lordships. So far, therefore, as greater economy of management was the object desired, the recommendations of the committee were met, and even in some cases, anticipated, though whether, by handing the whole or any portion of the ports in reference over to the care of the Inland Revenue Department as regards the bonding arrangements thereat, a greater degree of economy would have ensued, is a matter on which we should not venture to give a general opinion. Judging, however, from the following *resumé* of proceedings between your Lordships and ourselves, with reference to this expression of the opinion of the bonded warehouse committee, it will be seen that, as far as it was tested at some of the ports scheduled, that opinion was erroneous.

The final report of the Treasury Committee, containing the recommendation in question, was transmitted to us by Mr. Courtney's letter of the 17th December 1883, No. 19424/1883. In that letter Mr. Courtney stated that your Lordships desired that a further departmental inquiry should be undertaken, with the view of ascertaining whether the warehousing business at the 43 ports could be more economically performed by the Board of Inland Revenue than by ourselves, and that, if the result of such inquiry confirmed the opinion expressed by the committee, the two Boards should consult, and report, from time to time, when they were prepared to make the actual changes of administration

Communications thereupon took place between the chairman of the two Boards, who came to the conclusion that it would be advisable to deal first with certain ports at which it was estimated by the Inland Revenue that a direct saving would be effected by the transfer of the Customs bonded warehouses to that department. These ports were:—

Exeter.	Portsmouth.
Limerick.	Sunderland.
Londonderry.	Waterford.
Newry.	Whitehaven.
Plymouth.	

These were all included in the list of ports appended to the final report of the committee, pages 203 and 204 of the printed correspondence.

At some of these ports the new warehousing system had not been introduced when the discussion commenced, but shortly after revised establishments were fixed by us for each port, and sanctioned by your Lordships.

In our report to your Lordships of the 26th February 1885, we transmitted a statement showing the cost of the warehousing staff at each of these nine ports, as then recently approved, and also the cost as estimated by the Inland Revenue, if the warehouses at these ports were transferred to that department; and we showed that whereas the cost of working the warehouses by the Inland Revenue was estimated by that department at 6,650*l.*, the actual cost of their administration by this board was 5,771*l.* per annum, and under these circumstances we requested to be informed whether any further steps should be taken to transfer the warehouses at these ports to the Inland Revenue.

In reply, your Lordships were pleased to acquaint us, by letter dated the 6th March following, No. 3598/1885, that you were of opinion that until experience had been obtained of the working of the new system at these ports, the question of transferring more warehouses to the Inland Revenue might remain in abeyance. That experience has now been gained, with the result that at some of these ports still further reductions of expenditure have been effected, or are in course of consideration.

Subsequently, having noticed in the 28th annual report of the Board of Inland Revenue some observations in respect to the recommendations of the bonded warehouse committee as to this list of ports on pages 203 and 204 of the printed correspondence before alluded to, and not concurring in the views therein expressed by that Board, we, on the 31st July 1885 addressed a further report to your Lordships, in which, after referring to the result of the inquiry as to the relative cost of working the revenue business at the nine ports before-mentioned, we referred to our confidential report to your Lordships of the 5th June 1884 in which we pointed out:—

1st. That the gross average sum set down in the estimates, per officer, was greater in the Excise branch of the Inland Revenue Department than in the Customs.

2nd. That the average mean salary of an officer of Excise was higher than that of an officer of Customs, and

3rd. That the rate of collection of the Excise Revenue was, we believed, greater than that for the Customs.

Your Lordships were pleased, by letter of the 12th September following, to transmit to us copy of a letter which you had caused to be addressed to the Board of Inland Revenue, recapitulating the exact position of the question in regard to the proposed transfer of the bonding business at the 43 ports mentioned by the Treasury committee, and requesting that the Board of Inland Revenue would take early steps to issue an amended statement in reference thereto.

We have now only to add, in conclusion, that as the test inquiry instituted at the nine ports was exhaustive, and resulted in showing that no advantage would be obtained by transferring the warehousing business conducted thereat to the Inland Revenue, but rather the contrary; and, as these ports were not selected arbitrarily, but may be considered to be fairly representative of the ports proposed for transfer, we see no reason for the reappointment of the Treasury Bonded Warehouse Committee; either for the reconsideration of the question, so far as these nine ports are concerned, or "with a view to the "consideration of the other ports in the list not hitherto "dealt with."

With respect to any of those ports, we fully understand, and are prepared still to act upon, the suggestion in your Lordship's order of the 17th December 1883 to consider whether, by a revision of the warehousing arrangements, or in any other way, greater economy may be brought about.

(Signed) H. Murray.
Horace Seymour.

Custom House, London,
25th October 1888.

CORRESPONDENCE WITH TRADERS.

Copy of Letter addressed to Messrs. Kinahan and Co., Dublin.

Royal Commission on Civil Establishments,
7, Whitehall Place, S.W.,
February 1889.

Gentlemen,

The Civil Establishments Commission are at present considering the question whether it is, or is not, desirable to amalgamate the Customs and Inland Revenue Departments, and I am desired to inquire whether you would wish to make any observations in writing, or otherwise, to the Commission with reference to any difficulties or inconveniences which you may experience in dealing with the two Departments, and which you think might be remedied by the suggested amalgamation.

I am, Gentlemen,
Your obedient Servant,
(Signed) Horace Walpole.

Letters to a similar effect were addressed to:—

†Messrs. Boord and Son.
*Messrs. Gilbey.
Messrs. Jamieson and Sons.
Messrs. Findlater and Co.
Messrs. Dunville and Co.
*Messrs. Peek, Winch, and Co.
*Mr. R. Sedgwick.
†Messrs. Robert Preston and Co.
†The Mersey Docks and Harbour Board.
*Messrs. Wills.
*Messrs. J. and P. Hutchison.
*The Scottish Malt Distillers Central Association.
*Mr. Robert Brown.

Answers from those marked † are appended.
Witnesses attended from those marked *.
No reply was received from the other firms.

Secretary's Office, Liverpool,
Sir, 13th February 1889.

In answer to your letter of the 11th instant, inquiring if the Mersey Docks and Harbour Board are willing to depute someone to give evidence before the Civil Establishments Commission in relation to the proposed amalgamation of the Customs and Inland Revenue Departments, I beg to state that the Board's business is of such a nature that the transaction of it has not enabled any of their officers to obtain a practical knowledge of the working of the two Departments referred to, so far as to give value to any opinion that they might express as to the expediency, or otherwise, of the amalgamation in question.

As, for this reason, the evidence of any of the officers on the subject would not be of any service to the Commission, it is not proposed to depute anyone to appear before the Commission on behalf of the Board.

I am, Sir,
Your obedient Servant,
Edw. Gittins,
Horace Walpole, Esq. C.B., Secretary.

9, Vernon Street, Liverpool,
Sir, 18th February, 1889.

We duly received your form of 15th instant, and as we are perfectly satisfied with the general working of the Customs in relation to imports, exports, coastwise and our bonded system, and of the Excise in our rectifying department and our duty-paid trade, it is quite impossible for us to say whether the respective departments of our business would be better administered under an amalgamated service, whether it be by the absorption of the Customs by the Excise, or of the Excise by the Customs. We would therefore prefer their remaining separate as at present, and as we could say no more on the question, perhaps you will not think it worth while our attending before the Commissioners, otherwise one of our firm will be happy to go in the week you name.

Yours faithfully,
Robert Preston & Co.

Horace Walpole, Esq.

Allhallows Lane,
Upper Thames Street,
London, E.C.,
Dear Sir, 25th February 1889.

In reply to your letter of 21st inst., we beg to state that our business is carried on under both the Customs and Inland Revenue Departments. We have, however, no reason to wish for amalgamation of the same, for the rules of each, being well understood, admit of smooth working, and such a change would of necessity involve many new regulations and cause friction and delays for a considerable time after its introduction.

The statistics of each department, so valuable to traders, would probably not be continued and published in the present forms, and their usefulness to all engaged in conducting the commerce of the country would accordingly be reduced or destroyed.

So far, therefore, as our experience, wishes, or opinions are concerned they are not in favour of amalgamation.

We are, Dear Sir,
Your obedient Servants,
Horace Walpole, Esq., Boord and Son,
7, Whitehall Place. pro. H. Farmer.

Sir, Dublin, 25th February 1889.

In reply to your circular letter, we desire to state that in the course of our business we find in the Excise Department less complex arrangements than in the Customs, and we work as much as we can under that branch of the service.

We are, Sir,
Your obedient Servants,
Kinahan and Sons,
Horace Walpole, Esq., C.B., T. Kinahan.
Secretary,
Royal Commission on
Civil Establishments,
7, Whitehall Place, S.W.

MEMORIALS RECEIVED FROM VARIOUS GRADES

IN

THE INLAND REVENUE AND CUSTOMS DEPARTMENTS.

STATEMENT BY EXCISE OUTDOOR SERVICE.

Organisation and Salaries.

In consequence of the partial reorganisation of the Excise Outdoor Department the statement prepared at the close of 1886, and submitted to the Royal Commission, has been modified to some extent. An amended statement, embodying the changes up to the present time, is now submitted.

The organisation of the Excise Branch of the Inland Revenue Department is now, and probably has been from the earliest times, modelled, in its main features, upon lines closely approximate to the proposals of the Playfair Commission for the Civil Service generally. It possesses a lower grade, actually engaged in the charging of the Revenue; a higher grade to supervise and check the charging officers, and certain staff officers who control the whole. The lines of demarcation are most clearly defined, and in no case is there any overlapping or indefiniteness as to where the duties of one grade end and those of the other begin. Each official must commence at the bottom of the official ladder, and so each superior officer has a practical knowledge of the details of the whole of the work of those over whom he may be placed. The numbers in the upper grades are strictly limited to the actual requirements of the work, and as they form but a very small proportion of the whole Service, by far the greater number of the entrants cannot rise out of the lower grade, the maximum salary of which is 220*l.* The selection of officials for promotion is made through the medium of departmental examinations, and only those who reach a certain standard of competency are promoted.

So far, in theory, the organisation of the Excise would appear to be such as would conduce to the highest efficiency and economy, but in practice there is much to militate against this, and the object the officers of the department have now in view is to point out the drawbacks, and to submit for the consideration of the Commission certain proposals which, if adopted, would, in their opinion, be beneficial alike to the State, to the department, and to themseves.

The lower, or charging grade, is unnecessarily divided into three classes, promotion from one to the other being by seniority. The first appointment upon entering the Excise is that of assistant. Officials in this class are employed principally as a "relief" staff, to do duty for absent first and second class officers. Whilst so employed their work and responsibility are the same as in the case of fixed officials, and they frequently reside some miles from any other officer and from the supervisor. A proportion of the senior assistants are attached to important stations, nominally to assist the fixed officers, but, as a matter of fact, they usually perform the same work and are burdened with the same responsibility as their older colleagues. The initial salary of an assistant is 50*l.* per annum, after three years it is raised to 57*l.* 10*s.*, and after six years to 65*l.* In addition, when actively employed in the manner before stated, he has an "officiating" allowance of 2*s.* per day, amounting on an average to about 30*l.* per annum. A further sum of 1*s.* per day is granted to cover the expenses of travelling incurred in country stations of wide area. The Service salary of 50*l.* was fixed in 1885; previously the amount was 60*l.* (authorised in 1858), and nearly three-fourths of the present assistants entered the Department upon the higher scale of pay. To these officials only *one* increment of 5*l.* is given, and that after *six years'* service. The seniors, usually attached to important stations, and formerly termed first class assistants, have a fixed salary of 95*l.* per annum, without increments, no matter what period may be spent in this rank.

During the twenty-nine years from 1858 to 1887, the only alteration in the pay of the assistants was the *reduction* of the service salary for future entrants from 60*l.* to 50*l.* in 1885, and the granting in 1870 of an allowance of 1*s.* per day to cover the cost of travelling in stations of wide area. In 1874, the Board of Inland Revenue stated to the Playfair Commission that "a "slight increase in the fixed salary of the latter" (first class assistants, 95*l.*) "has become necessary." No increase "in the fixed salary" was then or since given, although the service as assistant has been increased from four to eight years, and is likely to become still further prolonged.

Owing to the extremely slow rate of promotion now current, to the consequent pecuniary loss already suffered by many, and to the similar but increased loss in prospect for the remainder, assistants complain most bitterly of their being compelled to serve so long with so little increase of salary, and as the employment of the majority is intermittent, and may fluctuate considerably, many may be actually receiving less total remuneration year by year. As a natural result of such complaints being unheeded, the young officers are becoming soured and discontented at the outset of their official career, which, from a Revenue point of view, is highly unsatisfactory, as seeds of dissatisfaction so early sown, tend to sap the springs of industry and to lead to lifelong absence of zeal.

In turn, the assistant is appointed second class officer, *i.e.*, he is made responsible for the proper ingathering of the Revenue, within the limits of an area of country, mainly rural, which from its extent may necessitate the keeping of a horse for the due performance of the work. An allowance—too generally inadequate—is made for horse keep, but, wherever it is possible to do so, a horse is dispensed with, and a lump sum granted to cover railway fares or other travelling expenses. A second class officer has an initial salary of 115*l.*, rising, by annual increments of 5*l.*, to 140*l.* From the number of the increments it might be inferred that after six years in the second class the officer might expect to be passed into the first class, but promotion has become so slow—and the rate appears likely to be still further retarded—that nine years now elapse before the step is obtained. This means that, under the present classification, the officer receives no advance of salary after his sixth year in the second class, though yearly increasing in experience and value, and in the full vigour of active life. If married, his family expenses will be increasing more and more, and the absence of salary increments at this period is most keenly felt. It is submitted that the cessation of increments at this stage of an officer's career, entirely owing to the present classification and slow rate of promotion, is illogical, and as it most assuredly produces a feeling of discontent, it tends to impair efficiency, which in its turn may involve a loss of Revenue.

By seniority the second class officer is appointed to the first class; that is to a "station" of less area, but more populous. The work generally is of precisely the same character as that in a second class station, but can, it is assumed, be done on foot. The salary ranges from 155*l.* by 5*l.* to 170*l.*, and thence by 7*l.* 10*s.* to 220*l.* A first class officer therefore receives ten annual increments—though why they should vary in amount is a matter of mystery. *The time when the maximum of 220l. may be reached may vary considerably, being dependent upon the rate of promotion from class to class, and not upon age, years of service, or experience.*

The higher or supervising grade is sub-divided into three classes, termed respectively expectant supervisors and second and first class supervisors. The expectant supervisors are employed to perform the duties of absent supervisors in the vicinity of their own homes. They receive a fixed salary of 220*l.*, irrespective of length of service in the class, and, when acting as supervisors, certain allowances depending upon the kind of "district."

An idea of the official's position as supervisor of a second class district may be the more readily comprehended, if a particular case is instanced. For example, take the Isle of Wight, the supervisor of which resides at Newport. He is, jointly with the charging officers over whom he is placed, held responsible for the whole of the Excise revenue arising from every source within the limits of his district—that is, the whole of the island. The salary of a second class supervisor ranges from 240*l.* by 10*l.* to 280*l.*, and he receives in addition certain allowances to cover travelling expenses, and for subsistence during absence from home. In districts where horses have to be kept a fixed allowance of 55*l.* per annum is granted.

A first class supervisor's salary commences at 300*l.* and proceeds by annual increments of 10*l.* to 350*l.* He is appointed from the ranks of the second class, and does similar work. The division into two classes is purely artificial and arbitrary, and is productive of much heartburning and dissatisfaction, and there being

Memorials.

but 20*l.* difference between the maximum of one class and the minimum of the other, promotion, involving as it does a change of residence, usually means actual loss of money.

On an average, some five or six supervisors, not necessarily of the first class, are promoted annually to the rank of second class inspector. Those recently appointed were supervisors for upwards of eight years, and the method of selection is by departmental examination, which, for men approaching or beyond 50 years of age, is, perhaps, unique. The second class inspectors are employed at Somerset House, dealing with official correspondence relating to technical questions, the consideration of which needs a practical acquaintance with every detail of Excise work. They are also sent on tours of inspection throughout the kingdom, and they officiate for absent collectors. The salary is 380*l.* by 10*l.* to 400*l.*, and after about three years the second class inspectors become collectors or first class inspectors, the latter being permanently retained at the chief office to advise the Board on intricate questions of Revenue practice. The second class inspectors have a very unsettled life, and are very inadequately remunerated.

Collectors are the chief provincial revenue officials; they have an office in some large town, and receive, with few exceptions, the whole of the revenue from excise, stamps, and taxes which accrues within the limits of their collections. A "collection" consists of several "districts," which together may comprise several counties, or one large town only (for instance, Birmingham) and the collector exercises a general supervision over the whole of the Excise staff therein. Collectors are divided, arbitrarily, into three classes; they are usually promoted from class to class by seniority, and their duties are for every practical purpose identical. The initial salary in the third class is 450*l.*; the maximum of the first class, 800*l.*

Each collector has a staff of clerks to assist him in the receipt and disbursement of Revenue money, and the keeping of the necessary accounts. The clerks are appointed from the junior classes of the Surveying Department at their own request, and may return to it at any time, but after a certain number of years only at a loss of seniority and salary. As clerks they have a separate and distinct classification.

From the foregoing it will be gathered that the Excise Department suffers from excessive sub-division into unnecessary classes in each of the three grades. Assistants, second class officers, and first class officers are all engaged upon similar duties, and an assistancy to-day may be a "first class station" to-morrow, or *vice versâ;* and in like manner a "first class station" may become a "second class station," or a "second class station" a "first class station," and so on. The maintenance of such a classification is entirely opposed to the principle enunciated by the Playfair Commission (Third Report, page iii.), "*that for duties similar in kind and responsibility there should be no artificial division into classes carrying different rates of pay,*" and is one of the principal causes of the intense dissatisfaction so unhappily prevalent, and more especially in the lower classes. The present system often occasions much hardship to individual officers, for not only does promotion from class to class necessitate a change of residence, but every re-arrangement, by which a "station" or "district" is advanced or reduced in status, means the breaking up of homes, and entails positive pecuniary loss, besides social disadvantages, to the unfortunate officials. The actual expenses of such removals are borne by the Department, but the amounts so paid do not represent the whole cost—far from it in too many cases. *By merging the classes in each grade into one, and by the adoption of service scales of salary under which the emoluments of office would increase year by year according to length of service and experience, and irrespective of fiscal changes, all discontent on the ground of slow promotion within the classification of any grade would be removed.*

The Inland Revenue Officers desire to point out that while a youth of 17 is deemed able to perform the ordinary clerical duties of the Civil Service, no one under 19 is eligible for the Excise. As regards the respective entrance examinations it is stated in a Treasury letter (17th March 1885) to the Civil Service Commissioners that "The subjects of examination for lower division clerkships and for assistants of Excise respectively are not quite identical, but are practically of the same standard. The present examination, however, answers its purpose for the Excise, and is so far on a level with that for the lower division as to make the choice between the two, when confined to that Service, a matter of indifference."

It is further stated, presumably as the reason for a more mature age for entrants in the Excise, that "Officers of the latter class have frequently to act by themselves in immediate contact with the public."

It is therefore submitted that the average initial emoluments of an assistant of Excise should at least equal, if not exceed, the highest initial salary of a lower division clerk; for, in addition to being, on an average, two years older, and being engaged during a longer official day upon more responsible work, the young officer's expenses are greater (his duties as one of a "relief" staff necessitating constant changes of location), and, by reason of his highly responsible duties, he should be enabled to maintain himself in a respectable and independent position.

The rank of first class officer is the highest attainable by six-sevenths of the entrants, and therefore the question of the maximum salary and the period at which it can be reached is of the greatest moment to the bulk of the Service. The possibility of making accurate comparisons of work and pay between the various classes of Civil Servants has been made easy since the reports of the Playfair Commission became public property, and wherever inequalities are apparent it becomes inevitable that those who consider themselves unfairly dealt with, will never rest contented until something like equality is effected. From all the evidence than can be collected, it appears to the Inland Revenue officers that they have good and sufficient grounds for serious complaint and dissatisfaction. The duties performed by the lower division clerks are admittedly inferior to those appertaining to a Revenue officer, the circumstances under which much of the work has to be done will bear no comparison, and the clerks' hours of labour are considerably less, and are confined within certain ordinary working limits; yet, while for seven hours' daily duty, every lower division clerk may look forward to attaining 250*l.* ultimately, without cessation of increment, or change of residence, a first class officer cannot get more than 220*l.* after a somewhat chequered career. This gross inequality has sunk so deeply into the minds of the Revenue officers, that they find it impossible to believe that there could have been any proper inquiry into the comparative value of the services rendered when the respective maxima were fixed. As all the lower division clerks in seven-hour offices can uninterruptedly proceed to a maximum salary of 250*l.*, the Inland Revenue officers submit that in all fairness, justice, and equity, they should *all* be able to look forward to no less a maximum, and that by annual increments on such a scale that the full amount should be attainable soon after the age of 45, and certainly before 50, by which period of life official experience ought to be quite ripe, and family expenses would, in general, have reached their highest point.

As regards supervisors, it is submitted that the present sub-division is indefensible, and that there should be but one class, and that, as their duties are essentially those of a higher grade, as defined by the Playfair Commission, they should have no less a maximum than their more favoured and less burthened clerical *confrères*, viz., 400*l.*, and that this should be attainable by annual increments. The supervisors are the picked men of the department; by a rigid departmental examination they have to prove themselves superior to the general body, and their duties are so important and multifarious that under the regulations of the department no officer is considered even *eligible* for promotion to the rank until he has served seven years at least, and, as matters now are, just about 22 years have to be served before a "district" is to be had. In the Taxes Department, the surveyors hold a practically analogous rank, attained after a very much shorter period, and they may proceed to a maximum of 600*l.* The analogous officials in the Customs are the surveyors; their salaries are very much higher, and they have shorter official days than supervisors. The glaring anomaly exists, that while a supervisor can under no circumstances receive, as salary, more than 350*l.*, a lower division clerk in a seven-hour office may, with duty pay, earn an equal sum for work of infinitely less importance, with less labour and less responsibility and in face of all this is it to be expected that the supervisors can feel contented? Beyond the supervisorship very few men can get, and the maximum of this grade really represents the highest salary attainable

by men of more than average ability, an amount very far below the actual and comparative value of their services, and much less than the majority of them would be receiving earlier in life, and with infinitely less toil, trouble, and responsibility, had they chosen a commercial career.

One extraordinary feature of the present classification cannot be passed without comment, and this is the excessive number of increments in the staff grade. Between the lowest salary of a third class collector and the highest of a first class there are no less than 16 increments. To this number add the increments provided for from the initial salary of a second class inspector, and the total for the grade becomes 19. Yet officials are now upwards of 50 years old before they become collectors! On the other hand the supervisors —taking both classes—have but 10 increments; or, including the expectant supervisors, 11. The first class officers have 10, and second class officers five, and the whole lower grade, taken together, only 17. The very large difference actually and proportionately between the collectors' minimum and maximum (450*l.*—800*l.*) is noticeable, the more especially when compared with the 240*l.* and 350*l.* of supervisors. It is worthy of notice that the difference between the maximum salary of an officer (220*l.*), and the minimum of a supervisor (240*l.*) is but 20*l.*, a sum altogether disproportionate to the relative value of the duties of the respective positions. Between the supervisor's maximum and a collector's minimum (350*l.* and 450*l.*) there is a difference of 100*l.*!

It is respectfully submitted on behalf of the supervisors, officers, and assistants of Inland Revenue, that the adoption of the following suggestions will remove the discontent now existing upon the ground of slow promotion from class to class within the same grade.

1st. The abolition of the classification of supervisors; the abolition of the classification of officers, and of the existing distinction between officers and assistants, and the substitution of the designation "Unattached "Officer" for "assistant."

2nd. The granting of the following scale of salaries, viz.:—

Officers 80*l.* by 5*l.* per annum to 100*l.*
,, 100*l.* by 7*l.* 10*s.* per annum to 190*l.*
,, 190*l.* by 10*l.* per annum to 250*l.*,

provided that the salary of an officer in charge of a station shall be at least 120*l.* Supervisors 280*l.* by 10*l.* per annum to 350*l.*, and thence by 12*l.* 10*s.* per annum to 400*l.* In the case of unattached officers and expectant supervisors suitable allowances should be given when those officials respectively are employed in stations or districts in which travelling allowances are granted.

The advancement of an officer's salary beyond 100*l.* might be made conditional upon his obtaining a certificate of fitness for such advancement. Upon an officer reaching the salary of 190*l.* a test might be applied similar to that now in force in the case of an officer passing from the second to the first class, and, upon the result being found satisfactory, the officer's salary should proceed without further test to the maximum asked for the grade, viz., 250*l.*

The advancement of a supervisor's salary beyond 350*l.* might also be made conditional upon his successfully passing a test similar to that now applied in the case of a supervisor passing from the second to the first class.

It is further respectfully submitted that no limit should be placed upon the number of officials progressing to the maximum for the grades of supervisor and officer respectively, *and that advancement to the respective maxima should depend solely upon personal fitness.*

Work and Hours of Labour.

For Revenue purposes, the whole of the kingdom is parcelled out into what are called "stations," the limits of which vary considerably. In each station there is at least one officer, and for an average of every six or seven officers there is a supervisor, and the aggregation of stations under his supervision is officially known as a "district." These two grades of officials are responsible for the charging and securing of all the duties of Excise, and the Revenue brought to account by them is received by another official called a collector; a certain number of districts, say six, as an average, being grouped together to form a "collection."

The average annual sum for which each one of the lower grade, or charging officers, is responsible, amounts to upwards of 8,000*l.*, the total Excise revenue being about 25,500,000*l.* In order to prevent or detect fraudulent practices, the officers must be conversant with the operations of distillers, brewers, tobacco and snuff manufacturers, rectifiers, and some cognate traders. They must also have a knowledge of possible or likely methods of fraud, and be ever on the alert to observe deviations from customary manufacturing processes, which might offer fresh facilities for illicit proceedings. They must be familiar with the multifarious licence duties, with their train of exceptions and exemptions, and be able at all times to afford information to the public on any and every matter connected with the revenue.

A considerable amount of training and application is necessary to make an officer thoroughly efficient, and owing to the continual advance in manufacturing processes, and the ever-recurring changes in the Revenue laws and regulations, he should be constantly adding to his information, and, as he must be ready at any moment to perform any branch of Revenue work, no point can be neglected. He must be well versed in the principles of mensuration, and be able, at any moment, to practically apply them to the gauging of vessels of various shapes. With the requisite technical knowledge of a specialist, the officer must combine all that makes a good clerk, for he should be a fair correspondent, an accurate book-keeper, and an expert accountant.

Many of the accounts are very intricate: for instance, those in connexion with goods in bonded warehouses. Evidence of this was laid before the Playfair Commission by witnesses from the sister Revenue department—the Customs—who stated "that the duties of "the warehouse department are as complicated as any "duties can well be, and that they require not only "intelligence but entail a great deal of personal "responsibility. Upon the accuracy which exists "amongst us, it depends whether the revenue is "correctly collected or not." Commenting upon this evidence, the then chairman of the Board of Customs said, "the description of the nature and importance of "the duties devolving upon the warehousing depart- "ment is correct." This, however, had reference only to the clerical work subsequent to, and based upon, the data forming the actual ground work of the charge for duty, and it must therefore follow that those who are responsible for both original and subsequent entries have still more responsibility and need even greater accuracy.

The original entries in the official books may be said in general to require an expert to make or verify them, and this has to be done at the time and place when and where the duty accrues, at distilleries, warehouses, and breweries, amid noxious gases and with surroundings and under difficulties altogether absent from ordinary clerical labour. Any carelessness, incorrectness, or laxity would entail an actual loss of revenue, not always discoverable or capable of subsequent rectification, as is the case with purely clerical mistakes.

For the bulk of the charging officers there are no fixed hours of labour, which in many cases are very prolonged Under the present regulations for securing the Beer Duty, an officer who may commence his outdoor duties before 4 a.m. may not have completed them until after 9 p.m. The whole of this intervening time may be occupied with official work, and most of it will be in any case. At no hour of the day can the officer of a station, with general Excise business, consider himself free from official duties, cares, and calls, and his work may be well described as piece work of a character which never permits him to say or feel that everything is done. He is supposed to know the number of taxable articles kept by everyone residing within the limits of his "station," and is primarily responsible that the proper licences are taken out, and in the interests of the revenue, very delicate, disagreeable, and troublesome inquiries have constantly to be made. At distilleries, where attendance is continuous day and night, the officers relieve one another every eight hours, and this may be regarded as the *minimum* number of hours constituting an official day. Under the reorganisation of September, 1887, many stations and districts were "broken," the areas of those remaining being largely increased, entailing, necessarily, additional work and longer journeys, and leaving the officials even less leisure than heretofore.

The supervisor has to supervise, examine, check, and often duplicate the work of the officers in his district, and, being held jointly responsible with them for the accuracy of the accounts and the general security of

Memorials.

the revenue, he must prove the correctness of *every* calculation made by *every* one of his officers. In addition to all the knowledge an officer should possess, the supervisor must be sufficiently familiar with legal procedure to be able, as a solicitor, to conduct prosecutions in revenue cases; he has often to value house property for revenue purposes, must be well acquainted with the circumstances of all the sureties to the Crown within the limits of his district, and he acts generally as local adviser to the Board. He is "*held responsible* "*for the proper superintendence of his district, irre-* "*spective of any limitation as to business hours,*" and practically has few leisure moments for study, recreation, or the amenities of social life. He has been termed by the Board "one of our most important "officials," and there can be no doubt that his duties are those defined by the Playfair Commission as appertaining to "the Upper Division."

As a whole, the work of the department is officially admitted to be irksome, laborious, difficult, and responsible; a considerable amount of tact and discretion is necessary in dealing with the public, and the officials come personally in contact with all sorts and conditions of people, from peasant to peer. Owing to their very general isolation, and consequent inability to consult with official colleagues when occasion calls for prompt action, the officers must be self-reliant. The Revenue officials occupy positions of great trust; they necessarily become acquainted with the extent of many traders' businesses and trade secrets, and they are ever exposed to the temptations to laxity which many traders are ready to offer. It has been openly stated by gentlemen in high positions that the officials are "second to none in intelligence, in assiduity, and in "attention to their duties," that by their own work they had placed the department "on a level with other "branches of the public service," and that recent fiscal changes "had imposed a severe strain upon the "staff in every grade, and the work of transition— "from the Malt Tax to the Beer Duty—had called for "the exercise of qualities of a very high order."

NOTE.—A detailed account of the work of the staff officers and collectors' clerks has not been given, as this paper emanates only from the supervising and charging grades.

Work done by the Excise for other Branches or Departments of the Public Service.

In addition to purely Excise work the officers are often called upon to do work which does not properly appertain to them, and it is felt that whenever this is so, the officers should be recompensed for their labour by the department concerned, which is now only rarely the case. In market towns, the local officer is inspector of corn returns for the Board of Trade, which may occupy several hours per week, and for which no remuneration is given.

In connexion with the Legacy and Succession Department, numerous and delicate inquiries, often necessitating long journeys, and the expenditure of much time, are directed to be made, but no remuneration is granted. Very recently, by an alteration in the probate law, Revenue officials in all parts of the country have been appointed to receive notices of application for grants of probate and letters of administration. This is work of a semi-legal character, and, as in the majority of the cases dealt with, the executors are persons of indifferent education, a very great deal of time is taken up in every instance; yet this work was imposed upon supervisors without anything to compensate them for it.

On behalf of the Post Office, supervisors have to certify to the position of those who are sureties for sub-postmasters.

Promotion.

At no period of Excise history has there been so much discontent on the ground of slow promotion as now exists. The substitution of first class officers for assistants who are permanently employed on responsible work in important stations would do something to accelerate promotion from the ranks of second class officer and assistant, but as far as the charging grade as a whole is concerned, the adoption of a service scale of pay is the only remedy which would entirely remove the prevailing discontent, and the question of promotion would then be confined to that from grade to grade.

Assistants.—In 1874 the Board of Inland Revenue stated to the "Playfair" Commission that the average service (in both classes) of an assistant was *four years*, and on the 12th April 1886, it was given by the Financial Secretary to the Treasury as five years. In the 10 years from 1874 to 1884 the average service as assistant was slightly less than four and a half years, but since 1884 the term has been rapidly lengthening, until it is now nearly double that officially estimated in 1874, and upwards of 500 of the present assistants have served from five years to eight years without promotion. Calculations, based upon the probable number of promotions (as estimated from those that have actually occurred during the past 10 years), show that the average service of the present staff of assistants must exceed nine years before the rank of second class officer is reached.

As an illustration of the manner in which promotion is affected by fiscal alterations or departmental reorganisations it may be mentioned that shortly after the imposition of the Beer Duty, in place of the Malt Tax, an increase in the number of official stations took place, and *seventy-five* assistants were promoted in *one week* (September, 1880). On the other hand, by the re-organisation of the Inland Revenue Department, which took effect on the 1st September 1887, a large decrease in numbers was made, and, owing to the redundant officials thus created, but one *promotion* from the rank of assistant took place for more than *twelve months* (April 1887 to May 1888).

In January 1882, assistants were promoted in 3¼ years; in November 1888, there are 100 who have served 7½ years and upwards without promotion. In August 1885, an assistant, who entered the department after the examination held in May 1880, was promoted in five years; in November 1888, an assistant, who entered the Service only six months subsequently, has already served 7½ years, and, as he is still 100 on the list, he must serve a further period of from 1½ to 2 years before being promoted.

Second Class Officers.—The time spent in this class, before promotion to the first class, stated by the Board of Inland Revenue to be five years in 1874, has now become extended to nine years, and it would seem that this limit must become increased to 10 or even 12 years. Officers of this class are now being promoted to the first class after 14 years' service as against nine years in 1874.

First Class Officers.—The period given in 1874 for an officer to serve in this class before selection as expectant supervisor was five years, but present candidates for the supervising grade are nine years in their rank before being "called up" for examination. The comparison of the average length of service in each class, as officially given in 1874, with the period now spent in each class, is as follows:—

1874.		1888.	
Assistant - -	4	Assistant - -	8
Ride officer - -	5	Second class officer -	9
Division officer, if selected for examiner	5	First „ „ -	9
	14		26

The official regulations say that no one of less than seven years' service is eligible to apply for promotion to the supervising grade, and under the Playfair Scheme 10 years in the lower division was recommended as the minimum limit before a transfer to the higher division should be allowed. The seven year minimum in the Excise has now become 20, and it would appear that those at present in the rank of assistant must serve from 25 to 30 years before the opportunity of promotion to the supervising grade arrives. The officials who are now reaching that grade at about 20 years' service passed a comparatively short time in the ranks of assistant and second class officer.

Supervisors.—Promotion to the staff grade from the supervisorship, formerly obtained in 25 years, is not now reached till after 28 years' service, and this period must become considerably extended, as the number of appointments has been largely reduced in recent years, notably at the last re-organisation of 1887.

That the greatly deferred promotion in every class throughout the service inflicts serious pecuniary loss upon the officials is clearly evident. An assistant, by having his service before promotion to the second

class lengthened to even as little as eight years, suffers, during the four years' delay, an immediate loss of 110*l.*, and a further average annual loss of upwards of 23*l.* for the 17 succeeding years. That this loss is not recouped, even in the case of the few officers who reach 40 years' service, by the slightly increased maximum salaries of second and first class officers is clearly shown by the tabulated comparison furnished at the end of this statement.

The principle of compensation for loss of prospects is recognised and provided for in the Estimates for 1888-89. In the case of senior registrars in the Legacy and Succession Duty Department, Inland Revenue, it is stated in the Revenue Estimates, p. 30 :—"Six of "these officers rise to 580*l.* (personal) as compensation "for loss of prospects." The maximum salary of these officials would otherwise be 550*l.*

Lieutenants in the Navy.—In a memorandum explanatory of the Navy Estimates, 1888-89, issued by the First Lord of the Admiralty, the following observations are made :—"The condition of the lieutenants' "list, and the very slow promotion to the higher "grades which an investigation revealed, induced the "Board to consider what steps could be taken to "ameliorate their prospects without detriment to the "Service generally."

"Their present position is one of undoubted hardship. The number of lieutenants required to officer the ships in commission in peace, still more in the eventuality of war, is far in excess of the number required in the higher grades of commander and captain. The number of each rank is fixed with regard to the requirements of the service, and the intake into the rank of lieutenant must necessarily be far in excess of the outlet by promotion. . . . . If it is inadmissible that the establishment above the rank of lieutenant should be increased, and if the promotion of lieutenants is retarded on grounds of public policy, it seemed only just that after a certain length of service their pay should be increased."

The case of the Excise officials is on all fours with that of the lieutenants of the Navy. Only one-seventh of their number can rise above the rank of first class officer, and but three per cent. can reach the staff grade.

Since the inquiry by the Playfair Commission in 1874 the length of service in every rank beneath that of expectant supervisor has been increased from 80 to 100 per cent., and must become still further extended.

If the principle of compensation for loss of prospects is equitable in one case, then it may fairly be contended that it should also be recognised in the similar case of the Excise officials by granting them a service scale of pay, commencing from the date of entry into the service, as in both lower division and higher division clerkships, with a maximum of 250*l.* for officers and 400*l.* for supervisors.

Allowances for Horse Keep and Office Accommodation.

Supervisors and officers who are required to keep horses receive fixed annual allowances of 55*l.* and 40*l.* respectively. They have to purchase their own horses and bear all losses incidental to them. In some few places the officials may be fortunate enough to make the allowance cover the annual cost, but in the generality of cases it is the reverse, and as the horses are kept *solely* in the interests of the revenue, in all fairness no official should be mulcted by reason of the insufficiency of the allowance. The present allowances were fixed during the existence of the malt tax and before the imposition of the beer duty, and the low sum of 40*l.* granted to second-class officers is probably due to the fact that, as malting was rarely carried on during the summer months, the horses could be put out to grass for the time and so kept cheaply. Under the beer duty this is no longer possible, brewing operations being carried on all the year round, and so in equity an increased allowance should now be given. The Board of Inland Revenue, in their letter to the Treasury, 8th February 1883, stated, "Of course in a service so "large as the Excise, individual cases of hardship may "occur where an officer may be unlucky in the death "or sickness of his horse." They thus admitted that the allowance did not provide for so possible a contingency as the "death or sickness" of their officers' horses, but no revision of this allowance has been made, and losses arising from such causes are still borne by the officials themselves. In addition, the mileage of many of the country stations has been very materially increased by the reorganisation of September 1887, and the work the horses are called upon to perform is proportionately greater.

Officers and supervisors are obliged to purchase horses within 28 days of taking up an appointment; and being strangers in the locality and generally without knowledge of horses, they are frequently made to pay the highest price for an animal, which, after being worked for a short period, is found unsuitable and has to be disposed of at a loss. Similarly, when an officer or supervisor, on account of promotion or through a re-arrangement of official work, is obliged to remove, he is compelled to part with his horse and vehicle, usually at a considerable sacrifice. Pecuniary loss is thus entailed upon the officials both in the purchase and sale of a horse kept *solely* for the revenue service.

If it is not convenient for the department to provide horses and vehicles, at least no official should suffer loss by having to provide them; the allowance should be sufficient to meet average losses, and in the case of losses through forced sales, by reason of promotion or re-arrangement of duties, it is submitted that these should be refunded by the department.

Upon application to the Commissioners of Inland Revenue an advance of 20*l.* for officers and of 30*l.* for supervisors is made for the purchase of a horse and vehicle, but, as these sums have to be repaid within a year, the salaries of the officials for the first year are correspondingly reduced. The advance made is generally insufficient to purchase suitable animals, &c., and the officials are usually compelled to supplement it from their meagre salaries. In commercial firms, wherever the employés have to use horses for the performance of their work, the employers find the horse and bear all charges. In the county police the inspectors and superintendents have their horses provided, stabled, kept, and groomed for them at the expense of the county. The Inland Revenue officials, therefore, are at a loss to understand why they alone should be differently treated.

With respect to office accommodation, the Treasury recently consented to give supervisors and officers an allowance for the partial use of a room as an office in the official's own house wherever there may not be a public office. The allowances are to cover use of furniture, light, fuel, and cleaning, and the average amounts were fixed at 7*l.* and 5*l.* for the respective grades. These sums appear to be regarded by the Board not as average amounts but as maximum allowances. In the majority of cases these average amounts are very far below those at which similar accommodation could be obtained in other people's houses, and it is submitted that no Inland Revenue official should be compelled, by reason of his position, to accept a sum below the market value of the accommodation, as determined by the circumstances of the locality.

Leave of Absence.

Uniformity in respect to leave of absence is unfortunately wanting. Officials with less than five years' service are allowed 14 days, the other officers and the supervisors 21 days, and the staff officers and *some* of the collectors' clerks 28. Many of those who are not allowed the maximum stand most in need of it, notably those who are employed day by day in ill-ventilated, damp, and unwholesome bonded warehouses and distilleries. An annual allowance of 21 days for officials with less than 10 years' service and 28 days for officials with 10 years' service or upwards would afford general satisfaction.

Discipline, Punishments, and Rewards.

From the important nature of the work it is imperative that the discipline should be strict, for negligence involves loss of revenue. The punishments are often very heavy, and vary considerably in their incidence. A punishment may involve the stoppage of an increment to salary, or promotion for a time, or altogether; or in addition to one or the other, or both, actual pecuniary loss by enforced removal. The latter is a most severe punishment, unknown in ordinary clerical branches of the Civil Service, and may be cited as further indirect evidence of the exceptional character of the work of the department.

The more vigilant and efficient an officer is—unless his efforts are confined to the discovery of actual frauds—the more to his disadvantage; the more tact he displays, the more painstaking and thorough he is, the more likely is he to be called upon to undertake

Memorials.

delicate and troublesome inquiries without any compensating advantage; and some officers bitterly complain that after having expended time and labour beyond the ordinary in the endeavour to attain the highest degree of efficiency, they not only obtain no benefit, but may actually suffer a loss. The punishments are sure, but there is no merit class or reward for good service.

Disadvantages.

The disadvantages which are incidental to the position of an Inland Revenue officer should be taken into account in assessing the comparative value of labour in the various departments of the State, as these disadvantages have a money value. The very prolonged hours of labour make it almost impossible for any officer to supplement his salary by work of any other description, even if he were not debarred from so doing by one of the regulations of the department; but neither the one nor the other affects the general body of Civil Servants. And by reason of the work the officials have to do, certain occupations would, under any circumstances, have to be forbidden.

The non-permanence of residence, and the obligation of having to live in particular localities for revenue purposes, are serious disadvantages, for the continual removals mean ever-recurring household refits; the absence of choice of locality renders it often very difficult to obtain suitable houses at reasonable rents, and as an officer is usually compelled to take some house off-hand, he very possibly has to pay more rent than he can properly afford, and being, perhaps, unable to make sufficient inquiry, may find it necessary, owing to sanitary defects, or other causes, to move into another house shortly afterwards. The possibility of removal at any time precludes most officers from taking advantage of the benefits offered by such associations as building societies for purchasing desirable houses, and few even venture to take their houses on lease, though by so doing they would generally have to pay less rent. The constant removals seriously hamper men with families. At one period the children's education may suffer by changing schools, and later on, when school age is past, there is very great difficulty in finding suitable employments, as the official is a comparative stranger, having no local connexions, and liable to removal far away at any moment. When the Beer Duty took the place of the Malt Tax, a large number of elderly officials who had settled down, and started their children in various businesses, had suddenly to face the alternative of re-starting their children somewhere else, or of having to incur the unlooked for and additional expense of maintaining them away from home for some years.

If a man is in business, or in the employ of a joint-stock company or large private undertaking, he can generally manage to get his sons into the same, or he is enabled to form friendships, or trade connexions, which are of considerable advantage in this matter. In former times, a proportion of the Excise appointments were set apart for the sons of officers, but for many years past this has ceased to be, and now very few officers wish their sons to try to enter the service, or their daughters to marry Excise officers, and this is fair evidence that the present officials are intensely disappointed and dissatisfied with their position and prospects.

Pensions.

As superannuation is a matter affecting the whole of the Civil Service, little need be said here upon the general principle, but it is debatable whether many of the larger commercial undertakings are not more liberal in this respect than the State. It is certain that, as a rule, the families of deceased *employés* receive a consideration in commercial life which is unknown in the Civil Service, and this raises the question whether superannuation is really "deferred pay," as is sometimes stated. If superannuation be really "deferred pay" an official should, upon his retirement, have the option of receiving either the total of his "deferred pay" or a life annuity. In the event of an official dying in the service, his executors, administrators, or assigns, it is submitted, should be entitled to his "deferred pay," so that the widow and orphans, or dependent relatives, should not, as is now too frequently the case, be left destitute. The present scale of salaries in the Excise Department renders it almost impossible to make adequate provision by saving a portion of the income, or even by life assurance. That the difficulties just mentioned are by no means fanciful is but too clearly and painfully evidenced by the sad appeals made from time to time to the members of the Excise Department for aid to the destitute widows and families of officials who have died "in harness."

It may be worth noting that the public protest occasionally made against pensions is not against those paid to the ordinary Civil Servant who has served the State for a lifetime, and who, without a pension, might be destitute, but rather against the heavy diplomatic and political pensions, and those granted to men who are compulsorily retired in the prime of life instead of being absorbed into other departments when office staffs are reduced through reorganisation. There is most assuredly a very strong feeling that no pension should exceed a certain fixed and moderate sum.

Concluding Observations.

In concluding these observations on the condition of the Excise Service, reference must be made to the extent and depth of the discontent in the Department.

In 1882, a petition for redress of grievances was forwarded, through the Board of Inland Revenue, to the Treasury, bearing the unprecedented number of 3,660 signatures, and representing upwards of 95 per cent. of the officers and supervisors. The desired ameliorations having been refused, nearly 400 separate petitions, bearing in the aggregate some 3,400 names, were presented in the House of Commons, in the Session of 1884, praying for the appointment of a Committee to inquire into the causes of dissatisfaction in the department. Consequent upon the recent reduction in the classes above them, the assistants, whose promotion had for some years previously been much retarded, have had their promotion and future prospects most seriously and materially impaired. During the past year they have made fruitless representations thereon to the Chairman of the Board of Inland Revenue and to the Lords of the Treasury, and it is respectfully submitted that the deplorable condition of these officers deserves special consideration and amelioration. It would be impossible for the officers as loyal and responsible servants of the State to demonstrate more clearly and conclusively in a legitimate, constitutional, and orderly way, their feelings and wishes.

The officers—young and old—are thoroughly imbued with the belief that they are treated unjustly, and this feeling will not be removed until the opposite is proved to them, or the desired readjustments effected. The officers have for some time past been struggling to do their duty with faithfulness and diligence against adverse circumstances, but it is impossible to prevent a gradual lack of interest in one's work if the feeling is ever present that fair and just remuneration is withheld. As regards officers charged with the collection of the revenue, any lack of interest or vigilance means a loss to the Exchequer, and any additional charge upon the Estimates necessary to induce contentment in the minds of the officials would be recouped many times over by the prevention of loss to the revenue, for discontent most unquestionably tends to a perfunctory performance of work. In every station there is a certain amount of revenue which is, or is not, brought to account, as the officer may be energetic or not, and the total of these amounts would represent a very large proportion of the cost of the establishment. No matter what the regulations may be, the Excise revenue, from its nature, must, to a very appreciable extent, depend upon the probity and vigilance of the individual officers. With discontent and dissatisfaction permeating the service from end to end, the highest efficiency must be wanting, and, without thorough efficiency, no revenue department is economically administered as the receipts are not at the maximum.

The officers allege that the introduction of the Beer Duty very materially and detrimentally affected their position, and, that for the additional labour, responsibility, and general prolongation of the daily hours of labour, no adequate recompense has been received. On the general question of official *versus* commercial salaries, they would point out that the Government avowedly endeavours, by severe open competition, to obtain the *élits* of the labour market of the whole of the United Kingdom, and, by very strict inquiries as to health and personal character, confine the selection to the *very* best men offering themselves, and, this being so, the selected men expect as much as they would naturally obtain in other walks of life, be it public or private, and are not likely to remain con-

tented with less, or with even the average emoluments of their *beaten* competitors in commercial employ.

H. W. Hunter,
A. J. Eaton,
M. J. O'Loughlin,
J. G. Cunningham,
R. Crowe,
J. N. Stickland,
W. H. Webster,
A. H. Hill,
} Sub-Committee of Supervisors and Officers.

November, 1888.

Table showing Loss sustained under Salaries of Revised Establishment (1887) by Senior Assistants, promoted after eight years' service, and Junior Assistants, in future promoted after nine years' service, during an average Service career of 30 years, and during 40 years as compared with former rate of pay with promotion to the rank of Second Class Officer in four years :—

Old Position.

Assistant entering the Department by open competition in 1872, promoted to be second class officer in four years, and first class officer in 12 years.

	£	s.	d.
Second class assistant - - 2 years at 90*l.** =	180	0	0
First „ „ - - - 2 „ 95*l.* =	190	0	0
Ride officer - - 8 years at 115*l.* to 130*l.* =	1,010	0	0
Division officer - - 18 „ 155*l.* „ 200*l.* =	3,405	0	0
Total in 30 years -	4,785	0	0
Division officer - - 10 years at 200*l.* =	2,000	0	0
	£6,785	0	0

New Position.

Senior Assistant, entering the Department in 1880, now promoted after eight years.

	£	s.	d.
Second class assistant - - 4 years at 90*l.** =	360	0	0
First „ „ - - 4 „ 95*l.* =	380	0	0
Second class officer - 10 years at 115*l.* to 140*l.* =	1,325	0	0
First „ „ - 12 „ 155*l.* „ 220*l.* =	2,267	10	0
Total in 30 years -	4,332	10	0
First class officer - - 10 years at 220*l.* =	2,200	0	0
	£6,532	10	0

	£	s.	d.
Loss in 30 years 452*l.* 10*s.* 0*d.* Average -	15	1	8
„ 40 „ 252*l.* 10*s.* 0*d.* Average -	6	6	3

Junior assistant, entering the Department in 1886, and serving nine years before promotion (estimate).

	£	s.	d.
Assistant - - - 3 years at 80*l.** =	240	0	0
„ - - - - 3 „ 87*l.* 10*s.** =	262	10	0
„ - - - 3 „ 95*l.** =	285	0	0
Second class officer - 10 years at 115*l.* to 140*l.* =	1,325	0	0
First „ „ - 11 „ 155*l.* „ 220*l.* =	2,047	10	0
Total in 30 years -	4,160	0	0
First class officer - - - 10 years at 220*l.* =	2,200	0	0
Total in 40 years -	6,360	0	0

	£	s.	d.
Loss in 30 years, 625*l.* Average -	20	16	8
„ 40 „ 425*l.* Average -	10	12	6

* Income from service salary and allowances.

STATEMENT OF THE CASE OF THE ASSISTANTS OF EXCISE.

To Sir Matthew White Ridley, Bart, M.P., Chairman of the Royal Commission on Civil Establishments.

Inland Revenue Office,
8, Southampton Street,
Bloomsbury, W.C.,
6th March 1889.

Sir,

On behalf of the Assistants of Excise, Inland Revenue (Out-door) Department, I beg to submit the following statement of their position and prospects for the consideration of the Royal Commission :—

Numbers.—The present number of these officials is from 700 to 750; the estimates for the Inland Revenue Department, 1888–89, provided for 824.

Salaries.—In September 1887 the distinction between the two classes of Assistants then existing (First and Second Class) was abolished, but there still remain in force three different scales of salary :—

(1.) Fixed salary of 95*l.*, without increments,

(2.) 60*l.*, rising to 65*l.* after six year's service, plus an "officiating" allowance of 2*s.* per day when actively employed.

(3.) 50*l.*, with two triennial increments of 7*l.* 10*s.*, plus the officiating allowance of 2*s.* per day. This scale applies only to those assistants who entered the Department since 1885, when the initial salary was reduced from 60*l.* to 50*l.*

The gross sums obtainable are, under—

(2.) 96*l.* 10*s.*, and after six years, 101*l.* 10*s.*

(3.) 86*l.* 10*s.*, rising to 94*l.* after three, and 101*l.* 10*s.* after six years.

It rarely happens, however, that an assistant is fully employed throughout the year, and the average amount earned by the "officiating" pay, in addition to the "service" salary, is about 30*l.*

Promotion.—The first promotion is to the rank of second class officer (115*l.*), and this step brings an increase of 20*l.* As this is the first real increase of salary for two-thirds of the assistants, the length of service after which this promotion is obtainable is a matter of serious moment to the officials concerned.

Length of Service formerly usual.

It was stated, in a letter addressed to the Civil Service Enquiry Commission (1874) by Mr. Adam Young, one of the secretaries of the Board of Inland Revenue, that the average term served before promotion to the rank of ride officer (now called second class) was four years.

In the ten years subsequent to the report by that Commission the average period, after which an assistant received such promotion, was slightly less than 4½ years, while the maximum limit reached during that decade was 5¾ years.

Length of Service after which present Assistants are promoted.

Since 1884 the period spent in the rank of assistant has been rapidly lengthening until at the present time upwards of eight years must be passed before the first promotion and real increase of pay is received. Of the officials now in this grade no less than 470 have served five years and upwards, the actual service being as follows :—

About	65	8 years
„	150	7½ „
„	70	7 „
„	75	6½ „
„	65	6 „
„	25	5½ „
„	20	5 „
Total -	470	

The average number of yearly promotions during the last five years has been about 70, and the highest possible average number of vacancies that can occur from all causes (death, superannuation, resignation, &c.) during the next six years is about 80. It must inevitably happen, therefore, that many of the foregoing 470 assistants will have to pass from 10 to 12 years before receiving the first promotion and appreciable increase of pay. The only increase they will receive during the whole of this period is the single increment of 5*l.* after six years' service.

Memorials.

The two triennial increments of 7*l.* 10*s.* given to the juniors (one-third of the present grade) are the only instances of this kind of increment in the whole Inland Revenue (Out-door) Department.

This increase is only half that given to the present Lower Division clerks, is equivalent to one-fourth that recommended for the clerks of the Second Division, and is not equal to one-half the amount (1*s.* per week per year = 2*l.* 12*s.* per annum) granted to boy clerks of 15 years of age.

Loss of Prospects.—An assistant by having his service before promotion to the rank of second class officer lengthened to even so little as eight years, suffers, during the four years' delay, an immediate loss of 110*l.*, and a further average annual loss of upwards of 23*l.* for the succeeding 17 years. This loss is not recouped by the increased maxima granted to the first and second class officers in 1887, even if he reaches the full limit of 40 years' service, and should he die or superannuate before that term is reached the loss sustained is proportionately greater. After 40 years the sum amounts to 252*l.* 10*s.*, but as the average service does not exceed 30 years, the loss, on the average, will reach to as much as 452*l.* 10*s.* (*vide* Table appended to the Amended Statement of Supervisors and Officers).

A comparision of the scale of salaries sanctioned in 1876 (after the Third Report of the "Playfair" Civil Service Enquiry Commission) with that in force at the present time shows that the 1876 scale, with the promotion which then obtained, was considerably better than the scale now in force, with the rate of promotion at present prevalent.

An assistant who then obtained the promotion as second class officer in four years, and first class officer in 11 years would have received, even if no alteration in the scale of salaries had subsequently been made, 327*l.* 10*s.* more, after 30 years, than an assistant now promoted to the first rank after eight years and with a prospect of, at least, a further 10 (18 in all) before he will receive the second promotion formerly gained in 10 or 11 years.

Work.—The work upon which the assistants are employed may be divided into two classes—

(1.) Permanent. (2.) "Officiating."

Permanent.—A considerable proportion of the senior assistants are attached to the more important stations (distillery, bonded warehouse, or brewery) nominally to assist the senior officers, but as a matter of fact they usually perform similar work and are burdened with a similar responsibility to that of their older colleagues. They charge the duty on the spirits manufactured at distilleries, on the beer brewed at breweries, and on the spirits and wines delivered from duty free warehouses. They also check the operations carried on by the various traders in the same manner as the first class officers attached to the stations. It is submitted that, in cases where the duties are practically identical, officers should be substituted for the assistants. Thirty such appointments have recently been made by the Board of Inland Revenue, and during the last few years officers have in other instances, from time to time, replaced assistants.

In Scotland and Ireland many assistants are employed from six to nine months consecutively at the distilleries charging the duty on the spirits manufactured and checking the operations of the traders, and their duties are usually similar to those of the officers employed at the same place.

"*Officiating.*"—The majority of the assistants are employed as a "relief" staff to officiate for first and second class officers during their absence on private or sick leave or from other causes. Whilst so employed their work and responsibility are the same as in the case of the fixed officers. They often reside some miles from any other officer and from the supervisor, and "have frequently to act by themselves in immediate contact with the public" (Treasury letter, 17th March 1885, to the Civil Service Commissioners).

These assistants charge the duty on spirits or beer manufactured, and the licences arising within the bounds of the station. In second class stations they also perform exactly similar journeys to those of the officers. They may be sent at a few hours' notice to any station within the collection to which they are attached, and they may be in charge of such station from a few days only to several months. As an illustration of the work of these officials it may be mentioned that during the latter half of 1888 an assistant was in charge of a first class station—14 miles from the supervisor and eight miles from the nearest officer—for four months consecutively. During this period he was solely responsible for charging the duty on spirits, beer, and licences amounting to upwards of 3,200*l.*, in addition to keeping and preparing the books and accounts in connexion therewith.

Compulsory Un-employment.

From the nature of the work it frequently follows that the services of an assistant are temporarily not required. Officers are usually absent on their annual leave during the summer and autumn months, and it is chiefly in the winter and spring that assistants are compulsorily idle. At these periods of the year an assistant may be, and sometimes is, unemployed for six or eight weeks at a time, and whenever not employed he received only the "service" pay of 60*l.* or 50*l.* The following cases of long periods of enforced idleness, of individual assistants, occurred during the 12 months subsequent to the re-organisation of the Department on the 1st September 1887.

During a large portion of this period many assistants were employed in the offices of Surveyors of Taxes to assist in the clerical work in connexion with the triennial assessment, Schedules A and B, for income tax; in an ordinary year the amount of non-employment would be very considerably extended.

Collection.	No. of days not employed.
Lancaster	175
Do.	129
Do.	100
Edinburgh	112
Bristol	133
Salisbury	125
Portsmouth and Ipswich	156
Plymouth	143
Cambridge	139
Stirling	139
Carlisle	130
Shrewsbury	122
Do.	115
Liverpool and Shrewsbury	97
Campbeltown	118
Do.	108
Do.	101
Do.	100
Taunton	115
Portsmouth	112
Cardiff	109
Birmingham	92
Bolton	99
Cork	104
Dundalk	103
Liverpool	95
Stourbridge	100
Falkirk	100

* This assistant was unemployed 97 days out of 198 days in Liverpool and Shrewsbury Collections.

It is submitted that the enforced idleness of any Government servant is an anomaly which should not exist. It is a system which cannot conduce to his efficiency as an officer, or to his morality as a man, and it is calculated to convey to the public mind a wrong impression of the duties and responsibilities attaching to an official holding a Government appointment by the authority of a certificate from the Civil Service Commissioners. An income dependent upon the variable amount of active employment is necessarily a fluctuating one, and an assistant may actually receive a less amount in his fifth or sixth year than he obtained during his first year's service. The regulations of the department preclude an official from adding to his income by other occupation, and the unsettled nature of an assistant's life would do so in his case, even if no regulation of the kind existed.

A fixed salary, rising by a fair annual increment, with provision for employment of a permanent nature, is felt to be the only true solution of this difficulty.

Travelling Allowances.—Officers of the second class are in charge of stations embracing a large area of country, and are in receipt of an allowance for horse-keep or a varying sum to cover railway fares or other expenses. Those assistants paid a "service" salary, with "officiating" allowance of 2*s.* per day, receive, when employed for the second class officers before referred to, a further sum of 1*s.* per day to cover the cost of travelling expenses. This sum is found to be often inadequate for the purpose, especially in those stations where, from the absence of railway facilities, the work must be done by hiring, and in others where the area of the station is so great that the officer receives an allowance considerably in excess of that paid to the assistant.

It is, however, in the case of the senior assistants paid the fixed salary of 95*l.* (about 40 per cent. of the whole grade) that the absence of proper allowances is most keenly felt. These assistants, when in charge of second class stations, receive no travelling allowances whatever, and thus, while a second class officer (with a salary of 115*l.*, rising by 5*l.* to 140*l.*) is often in receipt of an allowance ranging from 20*l.* to 50*l.* in addition to his salary, the assistant is compelled to defray his necessary travelling expenses out of his salary of 95*l.*

It is submitted that, as an allowance is admittedly necessary for the officer, the assistant, who has to perform all the officer's duties in his absence, is equally entitled to a similar sum, and he should not be required to travel at his own cost when such travelling is necessary in the interests of the revenue. The principle laid down by the "Playfair" Civil Service Enquiry Commission that "no officer should be out of pocket by "reason of extraordinary expenditure, except where the "salary may have been fixed with a special view of "including such expenses," is felt to be peculiarly applicable in this case.

The Board of Inland Revenue have twice directed that these senior assistants should be employed in the closer stations as much as possible, but, from the large number of these officials, and from the fact that in many collections the second class stations largely outnumber the first class, the orders have unavoidably been often inoperative.

The following individual instances of such senior assistants being compelled to defray the cost of their own travelling expenses, whilst in charge of second class stations, occurred during the twelve months from 1st September 1887 to 31st August 1888.

Collection.	No. of Days employed in Second class Stations.	Average Allowance paid to the Officers.
Hereford	212	36
Cambridge	207	36
Do.	166	36
Elgin	122	25
Plymouth	95	37
Campbeltown	90	28
Bath	81	35
Plymouth	70	37
Inverness	75	27
Leeds	66	27
Lynn	66	36
Cork	65	37
Do.	64	37
Cambridge	61	36
Worcester	57	34
Leicester	54	36
Birmingham	47	26
Reading	45	27
Colchester	44*	37

* This assistant was employed 127 days in second class stations out of 134 days in Colchester Collection, from July to November 1888.

The scale of salaries suggested in the amended statement submitted by the supervisors and officers is one which would, if adopted, in a large measure remedy the grievances of the assistants.

The chief complaint which the senior of these officials have to make, is that of extreme slowness of promotion, and this is the more acutely felt because of the absence of increments whilst such an assistant remains in that grade.

That an official should remain for eight years, and probably in the near future 10 or even 12 years, at practically his initial salary is a fact that is, perhaps, unique in the history of any Government department. If the annual increment of 5*l.* recommended for the clerks of the Second Division is a fair one, it is submitted that an assistant of Excise, whose entrance examination is "practically identical," whose work is certainly of equal importance, and who is usually two years older, is not adequately remunerated by a single increment of 5*l.* after six years' service.

I have, &c.,
(Signed) W. H. Webster.

STATEMENT OF THE CASE OF INLAND REVENUE INSPECTORS, 2ND CLASS.

Duties, Salaries, and Organisation.

The following statement by the 2nd class inspectors of Inland Revenue is intended to show that the salaries which they receive have not been fixed with a due regard to the character and quality of the services they render, and that the recognised principle that salary should be commensurate with the character of work performed, has not been applied in their case. On the contrary, persons under the same Board as themselves are receiving very much higher salaries for the performance of duties of less importance.

The 2nd class inspectors have approached their Board on several occasions for the purpose of obtaining a fair remuneration for the duties they fulfil, but they have failed to obtain that recognition to which they feel they are justly entitled.

Under these circumstances they are compelled—though reluctantly—to bring their case under the notice of your Honourable Commission.

The 2nd class inspector is selected from the grade of supervisor, after an examination calculated to test his general acquirements, and particularly his practical knowledge of Revenue matters. If this examination be satisfactory, the books of the district under his supervision are carefully scrutinised; and, if from such scrutiny it be shown that he is of industrious habits, apt and punctual in business, accurate in his calculations, and, in fact, that he has proved himself to be an efficient supervisor, he is promoted to the rank of 2nd class inspector.

Previous, however, to the attainment of that rank, he must have passed through each of the inferior grades of the service, and has become necessarily conversant with the various operations of traders subject to Excise survey, the laws and regulations bearing thereon, and has acquired such a fund of technical knowledge and experience as renders his services most valuable.

The duties of the 2nd class inspectors are most varied and important. They report upon questions raised by traders subject to Excise duties when doubts arise as to the construction or intention of the law; they report as to the practical working of the laws, and propose amendments if amendments are required; they consider and report on proposals from the traders, also, for amendments or alterations in the laws and regulations for charging and securing duties; they revise and re-allot the business of every officer as changes become necessary, either from alterations in the law, repeal of duties, or imposition of fresh duties, and fulfil important functions in relation to the discipline of the department. A number of them at certain periods of the year visit the traders throughout the United Kingdom, inspect their premises, and check the local officers; others visit, as occasions require, all parts of the Kingdom to inquire into complaints either against officers or traders; they officiate for sick or absent collectors, and are appointed to the office of collector as vacancies occur. They must have a practical knowledge of the working of every branch of the Excise department.

The average number of years which must elapse before the rank of 2nd class inspector can be attained is, at present, over 28. His position is one of great discomfort. He is frequently absent from his home, sometimes for months. His duties require great care and discretion, and entail much thought and anxiety. The only satisfaction that he can derive is from the hope that at no very distant time he will reach the position of collector; but, through the abolition of so many collections in the years 1886 and 1887, such hope is now deferred, and the present 2nd class inspectors

Memorials.

will not probably be appointed to collections until they have been upwards of 33 years in the service, although formerly that position was obtainable in from 20 to 23 years' service. This being the case, the 2nd class inspectors feel it incumbent upon them to use every legitimate means for the improvement of their position as inspectors. Most of them entered the service upwards of 28 years ago, and at that time had the prospect of reaching the collectorship in less than 23 years.

By well-directed effort, by study, fidelity, and good conduct, they qualified themselves for the post in question; they passed the recognised tests, and were selected as competent. Men who have thus acquitted themselves are certainly entitled to a higher salary than that which they at present receive, which is a less remuneration than that awarded to many of the officials in Somerset House, who perform merely routine work, and is totally inadequate to meet the expenditure necessary to sustain that social position in London which it is desirable that an important officer of a large Revenue department should occupy.

The salary of an assistant inspector in the Customs department, whose duties are somewhat analogous, and certainly not more important than those of a 2nd class inspector of Inland Revenue, is 560*l.* per annum, rising by yearly increments of 15*l.* to a maximum of 590*l.*, while the salary of the latter is only 380*l.* per annum, rising by yearly increments of 10*l.* to 400*l.* Further, the salary of a 1st class surveyor of Customs, whose duties are in every respect subordinate to those of inspectors, is 490*l.* per annum; and even the maximum yearly salary of a Customs surveyor of the 3rd class is 20*l.* greater than the maximum of a 2nd class inspector. Again, an assistant surveyor of the Post Office, whose duties may be taken as very similar in character, and not more responsible than the duties of a 2nd class inspector of Inland Revenue, receives a salary of 400*l.*, rising by 20*l.* annual increments to 500*l.* per annum.

There can be no valid reason for the difference in salaries between the officers in question.

Many of the officials in the Secretary's department receive much higher salaries than those awarded to the 2nd class inspectors. The department in question has been recently re-organised, and in lieu of the six superior officials who were attached thereto, whose salaries were 700*l.* per annum respectively, eleven superior officials were established with salaries varying from 600*l.* to 800*l.* per annum. These officials, not having had a practical out-door training, are in consequence unacquainted with the operations and requirements of Excise traders, and an inquiry into this matter would, it is believed, disclose the fact that important papers relating to Excise business are dealt with by the 2nd class inspectors, who are in receipt of salaries of from 380*l.* to 400*l.* per annum, whereas routine papers in connexion therewith are dealt with by officials receiving salaries of from 600*l.* to 800*l.* per annum.

On 23rd March last the 1st and 2nd class inspectors submitted a joint memorandum to the Board—to which your honourable Commission may be referred—in relation to reorganisation of the work, giving suggestions, in outline, which if adopted would, it is believed, very much simplify the existing methods of dealing with Excise papers; would result in greater accuracy, economy, and promptitude in the despatch of business; would give the Board a fuller and readier advantage of the inspectors' technical training and experience; and would effect a saving more than sufficient to provide the 2nd class inspectors with salaries commensurate with the duties they perform.

During recent years the Board have departed from a practice which formerly obtained by surrounding themselves with principal officers who have not had any practical experince in Excise business other than clerical and substantially routine work to the exclusion of their practical officers. There is no intention to criticise the course the Board have been pleased to pursue in this matter, but with feelings of perfect respect and loyalty it may be stated that the operations and interests of traders under Excise regulation are now vastly more complex than they were when a former Commission expressed so forcibly the opinion that:—"The secretary and all the principal officers of "the Indoor Department should be selected from "Excise officers who have gone through the several "gradations of office. Unless this rule be adopted and "rigidly acted upon, we are strongly of opinion that "the great expense and the various defects of the "present system will never be corrected."

J. A. Edmond.
Fred. Fisher.
John Savage.
Wm. Sellar.
Willm. H. Dawson.
J. A. Blofeld.
R. M. Douglas.
Jas. Anderson.
Wm. King.
R. Byerley.

} Committee of 2nd Class Inspectors.

Somerset House, November 1888.

Comparison of Salaries.

	£	£	£
Surveyors-General, Customs -	800 by 25 to		1,000
Superintending inspectors, Excise	700 ,, 25 ,,		800
Inspector, Liverpool, Customs -	600 by 25 to		700
Inspector, London ,, -	600 ,, 20 ,,		650
Inspectors, 1st class, Excise -	550 ,, 20 ,,		650
Assistant inspectors, Customs -	560 by 15 to		590
Surveyors, 1st class, London, Customs.	490 ,, 15 ,,		550
,, 2nd ,, ,,	430 ,, 15 ,,		480
,, 3rd ,, ,,	350 ,, 15 ,,		420
Inspectors, 2nd ,, Excise -	380 ,, 10 ,,		400
Surveyors, Post Office - -	500 by 25 to		800
Assistant surveyors - - -	400 ,, 20 ,,		500
Senior inspectors, Board of Trade	1,000 by 50 to		1,200
Inspectors, Board of Trade -	800 ,, 50 ,,		1,000
Chief inspector, Fisheries -			700
Inspectors, Charity Commission -			800
Chief inspector, Local Government Board.			1,100
General inspectors ,,			1,000
Inspectors ,,	600 (5 years) to		900
Inspectors, Audit ,,	600 by 100 to		800
Assist. general inspectors ,,			500
Chief inspector, Education, Science, and Art.			900
Inspectors ,, ,,	400 by 50 to		800
Sub-inspectors ,, ,,	300 ,, 20 ,,		500

STATEMENT OF SURVEYOR S OF TAXES.

The surveyors of taxes in England and Ireland venture to make the following statement, in the hope that it may tend to both efficiency and economy, and to the improvement of their position. The information given applies generally to the United Kingdom. There are, however, certain differences of detail in regard to Scotland and Ireland, though not of sufficient importance to affect the main issue.

It is the duty of surveyors, under the direction of the Board of Inland Revenue, to superintend the assessment and collection of the income tax and inhabited house duty, and, in a minor degree, the land tax; and to furnish the various departmental accounts and statistics. The staff consists of surveyors, who are responsible for the work of a certain area, called a survey or district; of assistant surveyors, who are attached to some of the more important districts, and are promoted in turn to surveyorships; and of lower division clerks, classed under the Playfair system, who also assist in the heavier districts.

In addition, a considerable number of private clerks, not on the establishment, are employed in surveyor's offices, at wages from about 8*s.* to a maximum of 30*s.* a week, who can leave or be discharged on a week's notice.

Until the year 1842 the duties of surveyors were confined to the supervision of the assessed taxes on servants, carriages, horses, dogs, &c., and the land tax. When the income tax was re-imposed in that year, being looked upon as a temporary impost, it was placed under the charge of surveyors, as an addition to their other duties, to which it was for many years practically regarded as of subsidiary importance. In 1868 and 1869 the assessed taxes, with the exception of the

inhabited house duty, were converted into licenses, and transferred to the management of the Excise Department, when a reduction in the number of surveyors and their clerks was made. This reduction, it is held, has proved by experience to have been excessive, and productive of chronic difficulty in the department.

It was only after the transfer of the assessed taxes that the importance and difficulty of the income tax appeared to be realised, and that serious efforts were made to improve the system of working. Since that date great improvements have been introduced, and the official requirements, especially in recent years, largely increased, adding much to its productiveness, and, consequently, to the labours and responsibilities of surveyors. Notwithstanding these heavy additions to their duties, the great increase in population, and the number of persons assessed, the constant changes in, and the fresh forms of, financial, commercial, manufacturing, and agricultural activity, the number of surveyors is less now than after the great reduction of 1870. This has caused an amount of oppressive overwork among surveyors probably unequalled in any public department, which it is believed has affected injuriously the productiveness of the income tax, as well as its universal and impartial incidence.

Theoretically, the local commissioners and the officers appointed by them, are mainly responsible for the assessment, and in England for the collection also, of the income tax and inhabited house duty. In practice, however, these duties, or at all events the most important of them, have gradually devolved upon surveyors. The local commissioners, an unpaid body of gentlemen acting for each division, appoint a clerk, generally a solicitor, who advises them on appeals, &c., and in whose office a large part of the merely clerical work is performed. This work has, however, to be revised by the surveyors, who are held responsible for its being done punctually and correctly. The remuneration of the clerks to commissioners, according to the Estimates for 1887–88, was 101,050*l.*

The local commissioners appoint annually assessors under Schedules D. and E. and for the assessment of the profits of all trades, public companies, &c., and employments; and under Schedules A. and B., which embrace the assessment on all houses and lands, and for the inhabited house duty, once in three years, except in the metropolis, Scotland, and Ireland, where, owing to different methods of arriving at the annual value, the surveyors act as assessors. The great majority of these assessors, except in the large towns, are farmers and tradesmen, and, as they frequently change office, their work is practically confined to the delivery to the taxpayers of notice papers, which are afterwards returned to the commissioners; but they no doubt also give valuable local information. Since, however, the proper assessment of income tax under the various schedules requires much legal and technical knowledge, the real labour and responsibility fall chiefly upon the surveyors.

New assessments of property under Schedules A. and B. and inhabited house duty are made triennially, when every house and every holding of land have to be revalued, and the income of every person assessed, who claims to be exempt or to be entitled to the abatement allowed on incomes under 400*l.* a year, has to be investigated. The value of each house of 20*l.* a year or upwards has also to be ascertained for the purpose of inhabited house duty, and its liability, or title to exemption, determined according to the numerous enactments regulating this tax. Each surveyor has now on an average more thon 45,000 of such assessments under his care upon which duty is charged, in addition to, on an average, several thousands more where he has been satisfied of the right to exemption; and when it is borne in mind that surveyors have to examine every return of rent or annual value, and consider in every case the annual value to be charged, a duty requiring much discrimination and judgment, some estimate of the enormous labour involved may be formed.

In each second and third year after these triennial assessments are made, the surveyors, in addition to their other duties, act as assessors in all the numerous cases of new properties, and give effect to the many instances of reduction in value, &c.

New assessments under Schedules D. and E. are made every year, each surveyor being responsible on an average for about 2,300 cases under Schedule D. and 700 under Schedule E. The actual numbers under Schedule D. vary from about 500 to nearly 7,000, those under Schedule E. from about 100 to 5,000. In addition to these cases in which duty is charged, there are many more under both schedules where persons are entitled to exemption; but all require separate investigation. The duties of assessors under Schedule D. are confined to issuing the various forms of return to the public, and to some extent giving their opinion as to the liability of persons chargeable. Under Schedule E. they are supposed, in addition, to make the assessments; every case, however, being afterwards examined and considered by the surveyors. The tax upon business profits, Schedule D., being probably the most difficult, delicate, and invidious of existing revenue imposts, its administration requires on the part of the surveyors the greatest tact, discretion, and ability. They have annually to examine each person's return, to make inquiries, gather evidence or information, especially in the numerous cases where the public fail to make returns, and to assist and advise the Commissioners in every case in finally deciding upon the amount to be assessed. They have to obtain and examine the accounts of every joint stock company and public concern, numbering in some districts many hundreds, and often of the most intricate and varied character; and to advise and examine the accounts of the numerous persons who call upon them for assistance in making their returns.

After the notices of assessment are issued, the surveyors have to deal with the many objections and complaints made by the public, to give information as to alleged overcharges, to examine claims of exemption or abatement, and the numerous statements of accounts produced to them, with the view of settling as many cases as possible with the least trouble to the taxpayer. They have also to appear for the Crown in all cases of appeal to the Commissioners, where frequently the most intricate questions of law and fact have to be considered; and they have to exercise a large amount of discrimination in deciding in what instances they should express dissatisfaction with the decision of the Commissioners, with a view to an appeal to the High Court on points of law.

When the assessments have been completed, the necessary books delivered to the collectors, and the collection of the duties begins, the surveyors in England and Wales have to watch over and superintend the collection, to keep a ledger account against each collector, to attend to the numerous cases where from death, removal, bankruptcy, or change in circumstances, there is dispute as to liability, or difficulty in recovery. They have also to account in detail for every single item in the assessments in which the duty has not been paid, a task in itself involving great labour.

An important and laborious part of the work of surveyors is the examination of all claims for the repayment of income tax. Owing to the principle of assessing all income at its source, the great increase in joint stock enterprise and in various forms of investments, the raising of the point of liability from 100*l.* to 150*l.*, and of the abatement to 400*l.*, the number of these claims has been enormously increased, one surveyor having, not unfrequently, to deal with more than 1,000 each year. In some cases the number exceeds 1,500. Of late years a great addition has been made to the work and responsibility of surveyors in connexion with these claims. Formerly many inquiries were made from Somerset House which are now required to be made by the surveyors, so that practically the responsibility for all amounts repaid to persons claiming for the first time has been placed upon the surveyors.

Other work, at one time performed by the Indoor Department at Somerset House, has, in recent years, been transferred to surveyors. Certificates of removal, numbering many thousands in a year, were formerly all transmitted through the head office, where each document was registered. They are now sent direct from one surveyor to another, and, while the change has added to the labours of the surveyors, it has resulted in a large saving of work at Somerset House. No objection is made to this change; on the contrary, it is admitted to be a great improvement, and has led to a reduction in the number of clerks at the head office, and an increase in the salaries of those retained. No corresponding benefit has, however, accrued to surveyors, notwithstanding the increased work.

Some of the most important causes of the excessive work and responsibility thrown upon surveyors have been the changes in making assessments under Schedule D., and as to appeals generally. Prior to the year 1870 the examination of the accounts of joint stock companies, in order to secure correct assess-

Memorials.

ments, was hardly known, and the usual course under Schedule D. generally was for the local commissioners to make numerous increased assessments, often in an arbitrary manner, which could only be corrected on a personal appeal to the Commissioners, as in all other cases of presumed overcharge. This led to much dissatisfaction, and was the cause of the great agitation against the tax in 1871–72. Business men resented these numerous surcharges, and protested against the loss of time and the exposure of their affairs to their neighbours—the Local Commissioners—involved in attending crowded appeal meetings. Surveyors were in consequence instructed to examine the accounts of all public companies previous to the assessments being made, and, in other cases where the amounts returned seemed open to doubt, to see the persons and try to obtain the necessary explanations. They have also been required to deal generally with all cases of appeal, by seeing intending appellants, and obtaining from them accounts or other evidence, afterwards submitting the settlement for the sanction of the Commissioners. By this addition to the ordinary duties of surveyors the administration of the tax has been attended with much less friction, the number of persons actually appealing before the Commissioners having been reduced to a minimum. Very large sums of unassessed duty for former years have been recovered by surveyors through this altered mode of procedure. The saving of poundage under this head in 1884–85 was about 3,000*l.*

From the foregoing sketch an idea may be formed of the peculiar delicacy and difficulty attending the working of the income tax, and of the highly important duties that surveyors are called upon to discharge. It may be said, without exaggeration, that the whole income tax system centres in these officers. They have constantly to exercise quasi-judicial functions, in which, if they are to be successful, the greatest patience, tact, and legal and technical knowledge are required. An oversight, an error of judgment, a want of discrimination, may entail serious loss of revenue; while, on the other hand, the care, keen observation, and vigilance of a surveyor may be productive of great benefit to the National Exchequer. The position of surveyors differs so greatly from that of most other civil servants that no definite rule can be laid down for their guidance; no hard-and-fast line can be drawn from which they are not allowed to deviate on the one side or the other; a wide discretion must be allowed to them if they are to perform their duties in a manner satisfactory alike to the public and to the revenue. They come into daily personal contact with all classes, including the most able business and professional men, and, owing to their generally isolated position, unlike most other public officials, they cannot, as a rule, obtain the advice and assistance of others, but must rely, in no ordinary degree, on their own judgment. Again, officials entrusted with the supervision of others have, in most public departments, to deal with trained and responsible officers, while surveyors have, for the most part, to guide officials who are not only untrained, but are not responsible to them; and in the exercise of their authority, the greatest care is necessary to avoid the appearance of too openly assuming functions, which the Acts of Parliament, when passed, did not contemplate, but which the lapse of time and the force of circumstances compel them to perform.

Upon the importance and difficulty of their duties, and of the income tax generally, no better evidence can be adduced than that of the Commissioners of Inland Revenue. In their twentieth annual report (1877) they state:—"The duties of surveyors are so "important, and have to be exercised for the most "part so independently of immediate control, that "they must be recognised as belonging entirely to the "higher division, and that the same scale of service "pay should be assigned to them as to higher division "clerks." And in their twenty-eighth report (1885) they remark:—"Of all the taxes under the control of "this Board, there is none which can compare with "the property and income tax, or, as it is properly "called, the income tax, in respect of the difficult "questions which arise in its administration."

"The tax affects a much greater number of persons "than any other direct tax, and, as the charges im"posed by it are so heavy, it is no wonder that they "are keenly scrutinized."

In these circumstances it is contended that the proper performance of the delicate, difficult, responsible, and even harassing duties of a surveyor requires more ability, more tact, more patience, more discretion, than the duties performed by almost any other servants of the Crown; and surveyors are of opinion that their remuneration is so inadequate in the more important districts as to exercise a most discouraging influence upon them.

The surveyors further contend that, for years past, they have been called upon to perform an amount of work which has been, not only disproportionate to their pay, and has impaired the efficiency of the department and the yield of the taxes under their charge, but has also been productive of an excessive strain, injury to health, and hardship generally to the officers themselves. They draw attention to this as a fact, without presuming to attach any special responsibility for this state of things. They are of opinion that an unfortunate, and, no doubt, unforeseen error, difficult to retrace, was made in the excessive reduction of their staff in 1870–71, consequent on the transfer of a comparatively unimportant and easily-managed part of their duties. They consider that this was intensified by the simultaneous inauguration of a series of improvements in the working of the income tax, which, while greatly benefiting the revenue and ministering to the convenience of the public, have added enormously to the labours of the surveyors. A further reduction in their numbers was also made in 1877, when the department was last reorganised according to the Playfair system, on the assumption that the increase in the point of incidence of the income tax from 100*l.* to 150*l.* would lighten the work of surveyors. But this is not so. The result of the extension of the limit of exemption and abatement has been to largely increase the duties of surveyors in regard to claims for repayment. Representations on this question of overwork and inadequate pay have been, from time to time, made to the Commissioners of Inland Revenue, but have met with only partial success.

As some evidences of the correctness of the foregoing statements, attention is asked to the subjoined statistics, which show the number of assessments and the annual value or profits charged to duty in each of the years 1868–69, 1871–72, 1875–76, 1876–77, and 1885–86. The year 1868–69 is chosen because it is the last year in which all the assessed taxes were under the control of the surveyors; 1871–72 as the first year after they had been completely relieved of them; 1875–76 as the last year when the point of incidence of the income tax was 100*l.*; 1876–77 as the year when the point of incidence was raised to 150*l.*, and the abatement raised from 80*l.* to 120*l.*, and extended to incomes under 400*l.* per annum; 1885–86 as the last year for which statistics are available.

NUMBERS OF ASSESSMENTS.

——	1868-69.	1871-72.	1875-76.	1876-77.	1885-86.
Schedule A	5,756,061	6,197,910	6,855,045	6,919,349	7,779,384
„ B	828,144	857,143	1,570,453	1,523,670	1,587,307
„ D	437,325	490,109	603,243	438,894	517,048
„ E	127,826	155,376	186,679	148,076	193,789
Inhabited House Duty	730,688	805,912	881,487	944,809	1,204,563
	7,880,044	8,506,450	10,096,912	9,975,298	11,282,091

AMOUNTS CHARGED TO DUTY.

——	1868-69.	1871-72.	1875-76.	1876-77.	1885-86.
	£	£	£	£	£
Schedule A	133,478,032	142,736,057	153,475,009	161,092,927	178,004,328
„ B	37,447,874	38,723,585	38,161,062	36,170,472	31,676,037
„ D	161,594,118	189,305,247	242,264,263	228,786,512	247,353,026
„ E	22,110,858	25,391,653	28,118,985	24,326,818	30,290,853
Inhabited House Duty.	37,165,389	41,416,978	45,697,974	50,386,599	62,166,843
	391,796,271	437,573,520	507,717,293	500,763,328	549,491,087

The numbers under Schedule D. are partly estimated for 1868–69 and 1871–72.

The amount allowed for the year 1868, in respect of the abatement of 60*l.* from incomes between 100*l.* and 200*l.* per annum, was 14,947,000*l.*; in 1885, the amount allowed in respect of the abatement of 120*l.* from incomes between 150*l.* and 400*l.* per annum was 50,484,191*l.*, an increase of 35,537,191, which for the purpose of comparison must be added to the figures for 1885–86.

The following is the net yield of each penny of income tax in the years named, the year 1884 being the last published.

1868–69.	1871–72.	1875–76.	1876–77.	1884–85.
£	£	£	£	£
1,435,887	1,654,277	1,978,084	1,904,770	2,002,222

It will thus be seen that, notwithstanding the large increase in the abatements, and other deductions allowed by statute from the gross assessments, the raising of the point of incidence from 100*l.* to 150*l.*, and the serious depression in trade, and almost unprecedented depression in agriculture, the productiveness of the income tax has largely and steadily increased, the increase exceeding 38 per cent. in 17 years. The surveyors venture to submit that no small part of this increase has been due to their untiring efforts.

The account below shows the total amount of income tax and of assessed taxes paid to the revenue in 1868, and of income tax and inhabited house duty in the other years named, the income tax, for the purpose of comparison, being stated at the equivalent rate of 6*d.* in the pound. The numbers and cost of surveyors, assistant surveyors, and lower division clerks, and the per-centage of cost to the revenue raised are also given. In the item of assessed taxes for 1868–69, the duty from dogs is taken as a complete year at 231,630*l.*, the same as in 1866–67, and the revenue for 1887–88 is an estimate only. Six surveyors have been added to the establishment for 1888–89, owing to the creation of six new districts at a minimum cost of 1,200*l.*

Year.	——	Amount paid to Revenue.	Rate of Duty.	Equivalent at 6*d.*	Number of Officers.			Cost.	Percentage of Cost to	
					Surveyors.	Assistant Surveyors.	L.D.C.		Income Tax.	Total Revenue.
		£	*d.*	£				£		
1868	Income Tax	8,615,325	6	8,615,325	304	73		103,790	1·2	·93
	Assessed Taxes	2,528,198		2,528,198						
		11,143,523		11,143,523						
1871	Income Tax	9,925,664	6	9,925,664	247	63		86,995	·876	·777
	Inhabited House Duty	1,262,611		1,262,611						
		11,188,275		11,188,275						
1877	Income Tax	5,727,017	3	11,454,034	221	37	15	82,512	·72	·63
	Inhabited House Duty	1,628,006		1,628,006						
		7,355,023		13,038,040						
1887	Income Tax	14,000,000	7	12,000,000	228	45	54	94,125	·784	·674
	Inhabited House Duty	1,954,000		1,954,000						
		15,954,000		13,954,000						

This statement shows that, in spite of the enormous increase in population and of persons and profits assessed, and the great additional labour, as before mentioned, imposed upon surveyors by the many improvements introduced between 1871 and 1887, the number of surveyors has been reduced. The number of assessments for which each surveyor is, on an average, responsible, increased from 34,000 in 1871, to 50,000 in 1885.

It is right to state that the cost of clerical assistance has somewhat increased in recent years, but the details are not obtainable from the estimates or reports of the Commissioners of Inland Revenue, to which reference has been made for the information given. Surveyors have also, of late years, at times of excessive pressure, been granted the temporary help of assistants of Excise; but as these officers have seldom any previous experience of tax work, or local knowledge, the duties they can perform are purely clerical.

In the matter of leave of absence, the surveyors of taxes are placed at a serious disadvantage as compared with members of the in-door departments. In the latter 42 days a year are allowed to officials, who, for the most part, are not subject to the same continuous strain, and have not the same responsibility, as surveyors, to whom 28 days only are granted. Moreover, even the leave they are entitled to can be obtained only under conditions which rob it of much of its value. Except for special reasons, not more than 14 days are allowed at one time. In the great majority of cases the surveyor's work accumulates during his absence, and such is the dread of this, combined with the constant pressure, that surveyors have frequently to forego the whole or part of the holiday to which they have a right.

Surveyors of taxes entered the service on the understanding that the time they were expected to devote to their duties was six hours a day. In the year 1876 their department was reorganised in accordance with the Playfair Scheme, and placed in the higher division. It appears clear that the service intended to be required from officials, under that scheme, was six hours a day; but the great majority of surveyors are compelled to work seven hours or more; and in years when new assessments of property are made, or, in the Metropolis, new quinquennial valuation lists, there is practically no limit to the demands upon a surveyor's time. This is admitted by the Commissioners of Inland Revenue in a circular to surveyors, dated 9th June 1882, on the subject of lower division clerks, who are paid on the seven-hours' scale. In addition to surveyors having to give more than seven hours a day, the working of the Playfair Scheme has given rise to complaints of serious inequalities and hardship. Comparatively young surveyors are placed in large and expensive towns, in charge of heavy districts, on salaries not commensurate with the importance of the districts. No doubt the chief cause of this evil is the totally inadequate amount of duty pay granted to the department, and the consequent inability of the Commissioners of Inland Revenue, with a service scale of pay, to remunerate surveyors in proportion to the duties they are called

Memorials.

upon to perform. Considering the arduous and responsible nature of surveyors' duties, it is contended that many of them are much underpaid. The maximum service pay of surveyors under the Playfair system is 400*l.*, and of 234 surveyors, three only receive the maximum amount of duty pay of 200*l.*, making their total emoluments 600*l.* per annum. More than 50 of their number, with over 25 years' service, in charge of most important districts, have an average of less than 500*l.* a year. If a comparison be made with the salaries of clerks in many of the in-door departments, whose duties are not of a more responsible character than those of surveyors, it will be found to be greatly in favour of those indoors. On this point, as well as on that of leave of absence, surveyors venture to urge their claim to at least equality of treatment with the members of the in-door branches. If, again, a comparison be instituted between the emoluments of surveyors and those of officials, with no greater responsibility, in large commercial establishments, as, for instance, banks, railways, and insurance companies, it will be seen that the latter are far better paid.

It is doubtful whether the Playfair System can, with any degree of fairness or satisfaction, be regarded as suitable to a department like that of surveyors of taxes; but, if it can be held to be applicable, it is submitted that it can only be carried out with anything like an approach to justice by granting a much larger amount of duty pay to the more important districts. The relative duty pay granted to the departments of the secretary, controller of legacy duty, and accountant and controller-general, according to the estimates for 1887-88, is nearly double that granted to surveyors of taxes, the figures being nearly 14 and 7·1 per cent. respectively.

The following figures relating to the out-door establishments of Customs, Excise, and Taxes, taken from the Estimates speak for themselves. They show the cost of assessing and collecting the revenue from Customs to be 3·91, Excise, 3·53, and Taxes, 2·5 per cent.:—

Customs.

	£	£
Revenue - -	19,630,000	
Establishment, Port of London - -		247,870
,, Liverpool - - -		96,640
,, Districts other than London and Liverpool - -		307,870
Superannuation, debiting half the amount paid to clerks - - - - -		115,843
Total cost -		768,223

Cost of collection to revenue, 3·91 per cent.
Superannuation ,, ·59 ,,

Excise.

	£	£
Revenue - -	25,620,000	
Chief Inspector's Office - - -		15,939
Effective Out-door Establishment - -		761,204
Superannuation - - - -		127,255
Total cost -		904,398

Cost of collection to revenue, 3·53 per cent.
Superannuation ,, ·496 ,,

Taxes.

	£	£
Revenue - -	17,410,000	
Special Commissioners' Office - -		5,657
Chief Inspector's Office - - -		9,350
Surveyors and Assistant Surveyors - -		98,668
Clerks to Surveyors - - - -		19,700
Clerks to Commissioners - - -		101,050
Poundage to Assessors and Collectors -		193,500
Superannuation - - - -		8,062
Total cost -		435,987

Cost of collection to revenue, 2·5 per cent.
Superannuation ,, ·0046 ,,

It will be observed that, much as the total proportionate cost of the Tax Branch is below that of the Customs and Excise, the cost of superannuation is far lower still, the figures being:—

Customs - - -	·59	per cent.
Excise - - -	·496	,,
Taxes - - -	·0046	,,

The foregoing information will, it is hoped, show that the present condition of surveyors of taxes is far from satisfactory. An attempt will now be made to indicate how this may be improved. It is, at once, admitted that this improvement would entail increased expenditure, but it is believed to be neither to the interest of the revenue, nor conducive to true economy, that a body of public servants, charged with such delicate and important duties, should be overworked and underpaid. Moreover, there appears to be little doubt that this increased expenditure could be met by certain changes within the Department, which would result in a saving.

The position of a surveyor of taxes must at all times and in all circumstances involve anxiety and responsibility since every complaint, every correction, every explanation, must pass through his hands; but much of the worry of which surveyors complain might be avoided or lessened by giving them more efficient clerical assistance. Many surveyors have no other help than that which they are able to obtain locally for a few shillings a week, the maximum wages in the most important districts in the large towns being 30*s.* a week, and many clerks have used the surveyor's office, and the training they have received there, as a stepping stone to something better. Having been engaged all day in dealing with the public, either personally or by letter, surveyors have had, not unfrequently, night after night, and week after week, to take home work, which could be done by a clerk, or return to their offices to do it: and instances are not wanting where a surveyor has paid or supplemented a clerk's wages out of his own pocket. It is open to question whether clerks, subject to a week's notice, should be employed at all, or at any rate so largely in offices where the work is of such a delicate and confidential character; but, if they are employed, it is submitted that some inducement should be held out to them to remain. On this point it is suggested whether the most deserving of them should not, after a certain number of years' service, be put upon the Establishment under special terms and conditions. Boy clerks have in some cases been found most useful, and it is thought that a greater number of them might be employed with advantage.

At the present time what are known as "Parochial Ledgers" are and must be kept in the office of each surveyor, while a staff of clerks is also employed at Somerset House in keeping duplicates of them. The work is thus done twice. The surveyor is, however, the only person really responsible for the balancing of the ledgers, or who can indeed, in many instances, balance them. A check must, of course, be kept against each surveyor, but for all practical purposes it would be sufficient to raise a charge at the head office against each division or part of a division under his care, consisting in some cases of over 50 parishes, instead of against each parish, posting the payments in the aggregate to the credit of the division and not of each parish, and leaving the surveyor to keep an account against each collector. The control, it is held, would be as complete and effectual by this method as under the existing system of giving to the Accountant and Controller-General the nominal, but only nominal, power to adjust accounts which do not, so to speak, balance themselves since he is practically bound to adopt the suggestion of the surveyor.

With regard to the departments of the Secretary and the Chief Inspector it appears that by the present plan much unnecessary routine is entailed which would be avoided if the Chief Inspector, who must be an official of great experience, were left free to deal with all matters properly belonging to the executive. According to the existing practice papers may be referred by the Secretary to the Chief Inspector, and the report of the latter may be subject to review by a comparatively junior clerk; and if not actually so reviewed the work of the said clerk is purely formal, no practical responsibility resting upon him. It is submitted that the better course would be for the Chief Inspector to deal directly with the Board instead of through the medium of a committee clerk in another branch, leaving the orders of the Board, so far as they necessitate correspondence with the public or formal letters to surveyors, to be carried out in the Secretary's Office. It is considered that references to surveyors

on the papers themselves might be made by the Chief Inspector. It is further submitted that officials at the head office called upon to deal with practical questions should be appointed from inspectors of taxes or the more experienced surveyors. The difficulty of Income Tax administration being admitted, practical as well as theoretical knowledge in these cases would seem desirable, if not necessary. In support of these suggestions reference is again made to banks, railways, insurance companies, &c., where the officials entrusted with executive duties have power to carry them out independently of officials in the Secretary's branch.

Certain documents are in use known as "Forms, 48, &c.," relating to persons who reside in one district, but state they are assessed elsewhere, and to persons who have been assessed in one surveyor's district and have removed to another. These have to be sent by the surveyor to Somerset House, where a staff of clerks is kept for the purpose of registering them and sending them to other surveyors, who have to return them to Somerset House with their reports, or for inquiry, whence they are again sent to the issuing surveyor to be noted, and sent once more to Somerset House. This routine may have to be repeated several times with the same document. And not only so, if a form has to be sent, say, from London to Glasgow, the issuing surveyor must first send it to Somerset House, whence it is forwarded to Edinburgh, then, in turn, to Glasgow, any inquiry having to be made through the same circuitous channel, and in some cases, frequently repeated. It is submitted that if these forms, as well as all papers relating to certificates of removal, were sent direct from one surveyor to another, in any part of the United Kingdom, a considerable saving would be effected at the head office in London, and at Edinburgh and Dublin. In cases where instructions might be required, reference could be made direct to Somerset House, none of these forms being transmitted through either Edinburgh or Dublin.*

Other documents, called "Reports on Schedules" of defaulters and discharges, have to be prepared annually by surveyors. Reports on defaulters relate to cases where the duties assessed have not been paid, but where a legal liability remains, warranting proceedings for recovery. It is not proposed to interfere with these necessary documents. Reports on discharges consist of cases in which the surveyor has satisfied himself that there is no legal liability for the duties assessed. These are chiefly cases of empty houses, assessments discharged or abated on the ground of incomes being under 150*l.* or 400*l.* a year, reliefs on appeal, errors, &c. Until 1881 every one of such cases had to be reported on in *detail*; but in that year the system was so far modified that surveyors were allowed to report the *totals* only of empty houses for each parish. It is submitted that, under proper regulations, much unnecessary labour would be saved by extending to all cases of discharge the principle adopted in 1881. Thus, instead of the voluminous reports, extending, not unfrequently, to many hundreds of lines, the totals only of each of the eight classes of discharge would be given, with a grand summary of the whole. Considering the wide discretion necessarily allowed to surveyors in making the assessments and obtaining alteration of the same before the books are closed, it is maintained that, subject to proper checks, they may be safely granted the further discretion suggested in regard to these reports and Forms 48, &c.

Memorials.

The alterations pointed out in the foregoing suggestions would not require legislative sanction; the following would.

The mode of arriving at the annual value of property in England, outside the Metropolis, is antiquated and cumbersome, and the assessment does not, in many cases, correspond with the local rating. The extension of the Metropolitan Valuation Act to the whole country would remedy this, and save the poundage paid every third year to assessors under Schedules A and B, and Inhabited House Duty.

With regard to the assessment of the profits and officials of joint stock companies, corporations, &c., under Schedules D and E, the work of the assessors is practically limited to delivering certain forms of return papers, and the liability is ascertained by the surveyors, who examine the accounts of the various companies. The local knowledge of the assessors, which is often valuable in other cases, is evidently of no use in these. It is therefore suggested that the services of the assessors should be dispensed with in connexion with these companies, &c., and that the assessments on them should be made by the surveyors, in the same way that the assessments under Schedule A and Inhabited House Duty in the Metropolis are made, giving them power, in regard to Schedule D, to perform the duties and exercise the functions of Additional Commissioners. This would effect a saving of more than 20,000*l.* a year.

The total estimated saving which would ultimately result from the adoption of these suggestions is between 30,000*l.* and 40,000*l.* a year. This would suffice to meet the claims of surveyors and still leave a substantial balance.

It is contended that the adoption of the suggestions set forth in this statement would conduce to—

1. Economy.
2. Simplicity and efficiency.
3. Removal of the ground for the complaints made by a body of Civil servants engaged in the performance of most responsible, delicate, difficult, and arduous duties.

A copy of the petition presented to the Commissioners of Inland Revenue, on the 30th July 1887, accompanies this Statement.

T. E. Bell.	G. C. Leslie.
G. H. Bishop.	E. S. London.
F. Blake.	W. Male.
E. H. Bowers.	H. H. Mallandaine.
R. Compton.	S. W. Manley.
P. Corbitt.	R. H. Morant.
T. S. Fisher.	G. J. Rawes.
W. J. W. Glasson.	C. F. Rawson.
T. M. Jeans.	J. W. Stanley.
E. Lambert.	J. E. Thrift.
N. J. Lee.	G. Wright.

Members of General Committee.

W. L. Gough, Hon Sec.

* This suggestion was in the original draft of this statement; but, since the draft was written, instructions have been issued to send all "Forms 48, &c.," in the first instance direct from one surveyor to another. This will increase the labour of surveyors, but it will relieve the officials at Somerset House.

TO THE HONOURABLE THE COMMISSIONERS OF INLAND REVENUE.

The Petition of the Surveyors and Assistant Surveyors of Taxes whose names are hereunder written,

Humbly showeth:—

That the practical work connected with the assessment of the income tax and inhabited house duty devolves chiefly upon surveyors of taxes, who have to perform their duties under circumstances of peculiar individual responsibility. They are thus compelled to rely to a great extent upon their own judgment, and to their tact and discretion the security of the revenue is in no slight degree due. In theory, the district commissioners decide cases of disputed liability, but in practice, as is well known, the surveyors in many districts settle the great majority of such cases; and, in many other instances, the liability is ascertained by personal investigation, and a settlement arrived at before an assessment is made. The delicate nature of these investigations will be readily understood; but the demands they make upon the time and energy of surveyors, especially in the heavy Schedule D. districts, may not be so easily or fully appreciated.

That in the years 1876–77 and 1884–85 the respective numbers of separate properties assessed under Schedule A. were 6,919,849 and 7,783,576, being an increase of 863,727, or nearly 12½ per cent. For the same years the numbers of persons charged under Schedule D. and E. were 586,970 and 702,887 respectively, showing an increase of 115,917, or more than 19½ per cent. The numbers of houses charged to inhabited house duty were 944,809 in 1876–77, and 1,176,387 in 1884–85, an increase of 231,578, or more than 24½ per cent. These large increases indicate a corresponding augmentation in the work of surveyors, and, apart

Memorials.

from the exceptional difficulties in connexion with Schedules A. and B. during the last eight years, point to a reasonable expectation of an addition to the expense of the department. But, beyond this, the conditions under which the income tax is now administered are much more onerous than formerly, requiring not only more time, but greater care: and the increase under Schedules D. and E. may, in great measure, be fairly attributed to the exertions of surveyors. In 1876–77, the year in which the point of incidence was raised to 150*l.*, the amount realised for each penny of income tax was 1,904,770*l.*, and in 1883–84, the last year for which the figures are published, 2,016,785*l.*; and this increase was obtained in spite of an almost unprecedented depression in trade and a high rate of duty.

That your petitioners venture also to point out that the last reorganisation of the department in 1876 took place when the rate of duty had for some years been exceptionally low, and that the increase in the rate has added greatly to the labour of surveyors, as proved by the large addition to the number of claims of repayment, as well as of cases of appeal and disputed liability.

That the Playfair system has now been in operation for more than 10 years, and has resulted in what are looked upon as great inequalities. But if it be deemed imperative that this system should be retained, it is humbly submitted that your petitioners are entitled to a considerable increase in the duty pay assigned to them. It is suggested, with the utmost deference, that an increase from 6,300*l.* allocated to 76 districts, to 12,000*l.* allotted to 100 districts, would be fair and reasonable, and likely to give general satisfaction.

That if, however, it should be decided to amend the Playfair system, your petitioners venture to express the belief that it would be practicable, at no greater additional cost than is indicated above, to frame a scheme which, while paying due regard to existing interests, and avoiding the evils of the former method of classification, would remedy the anomalies of the present organisation, and improve the position of surveyors generally.

That at the last general reorganisation in 1876 the Department was placed under the Playfair system in the first grade, and on a six hours' scale. It is now understood that where seven hours' work is given a title to increased remuneration is recognised; and, as surveyors of taxes are required to work, on an average, at least seven hours a day, they venture to refer to this fact as an additional reason for pressing their claim to a revision of salaries.

That, in addition to inadequate remuneration, surveyors suffer, in many instances, from overwork, the result, in great measure, especially in rural districts, of inefficient and insufficient assistance. The pressure, at all times great, is so intensified in years of new assessments under Schedules A. and B. as to entail serious difficulty and suffering. Your petitioners gratefully recognise that something has of late years been effected to meet this hardship by the creation of new districts, and they earnestly hope that more may be done in the same direction by reducing the area of those surveys which may still be found too large for proper management. The difficulty as to private clerks has long been a cause of severe overwork and worry to many surveyors. The wages allowed are too often not sufficient to retain useful clerks, whose experience is thus prematurely lost; and the time spent in training and examining the work of a succession of fresh ones is a serious addition to the labours and anxieties of many of your petitioners. It is believed that if the maximum wages were raised from 30*s.* to 40*s.* per week, and other allowances in proportion, surveyors would be in a position not only to secure, but to retain, more efficient help. This would in many cases relieve the undue strain, and, coupled with the creation of a certain number of new districts, would go far to redress this grievance. It is also urged that it would be productive of true economy, as well as of positive benefit to the revenue, as surveyors would thereby have more time to devote to their more important duties, and the necessity for the employment of established officers might be to some extent diminished.

That it appears that the statutory poundage alone to local officers on the sums annually recovered, largely by the efforts of surveyors, in respect of duty unassessed, would represent a considerable amount; that the abolition of receipts and the substitution of weekly payments, while increasing the work of many surveyors, has resulted in a saving; and your petitioners venture to submit that these savings might be appropriated to meet the increased expenditure which the adoption of their suggestions would involve, especially as the awards for the recovery of unassessed duty have been discontinued.

That it is humbly but confidently urged, without invidiously specifying particular cases, that the work of surveyors of taxes will bear favourable comparison with that, not only of any body of officials under your Honourable Board, but of the superior officers in mercantile and other establishments, whose emoluments are considerably higher. As stated by your Honourable Board in your twenty-eighth annual report:—"Of all "the taxes under the control of this Board, there is "none which can compare with the Property and "Income Tax, or as it is popularly called the Income "Tax, in respect of the difficult questions which arise "in its administration. The tax affects a much greater "number of persons than any other direct tax, and as "the charges imposed by it are so heavy, it is no "wonder that they are keenly scrutinised." The daily duties of surveyors require them to exercise quasi-judicial functions; difficult and delicate questions of law and practice have frequently to be decided by them on their own responsibility; they come into contact with all classes of the community; they are expected to be, and, if successful, must be able to deal with the arguments and objections of the shrewdest professional and business men, often without previous notice or special preparation; while most other civil servants perform their duties within reach of those to whom they can apply for advice and assistance.

That, while acknowledging with gratitude all that has been done in the past to redress their grievances and improve their position, your Petitioners feel, nevertheless, that their claims to more favourable treatment merit further recognition; and, relying on the desire of your Honourable Board to do justice, they venture to express a confident hope that their prayer will be granted.

And your Petitioners, as in duty bound, will ever pray.

STATEMENT OF THE EXAMINING OFFICERS OF H. M. CUSTOMS IN THE PORT OF LONDON.

To Sir Matthew White Ridley, Bart., M.P., Chairman, and the Members of the Royal Commission on Civil Establishments.

1. In accordance with the terms of a circular letter issued by the honourable Board of Customs, on instructions received from the Royal Commission on Civil Establishments, we beg to submit the following statement of the examining officers of the Port of London.

2. Previous to June, 1882, the various duties upon which examining officers are now employed pertained to two distinct departments, viz., the out-door department, and the warehousing branches of the indoor department. At that date, however, an amalgamation of these two departments was effected, and the following classification issued by the honourable Board of Customs, with the approval of the lords of the Treasury:

	£	£	s.	£
1 controller - - -	700	by 25	0	to 800
4 inspectors general - -	600	,, 20	0	,, 650
1 assistant inspector general -	560	,, 15	0	,, 590
15 first class surveyors -	490	,, 15	0	,, 550
20 second ,, ,, - -	430	,, 15	0	,, 480
40 third ,, ,, - -	350	,, 15	0	,, 420
120 first class examining officers	230	,, 10	0	,, 300
430 second ,, ,, - -	110	,, 7	10	,, 220

3. This classification, although unfavourably affecting the members of the above mentioned departments, as compared with their previous positions, was generally accepted as a permanent measure; but during the last six years the superior appointments have been considerably reduced, and the present classification is as under:—

	£	£	s.	£
5 inspectors - - -	600	by 20	0	to 650
1 assistant - - -	560	,, 15	0	,, 590
10 first class surveyors -	490	,, 15	0	,, 550
17 second ,, ,, - -	430	,, 15	0	,, 480
33 third ,, ,, - -	350	,, 15	0	,, 420
120 first class examining officers	230	,, 10	0	,, 300
302 second ,, ,, ,, -	110	,, 7	10	,, 220
160 assistant ,, ,, -	100	,, 3	0	,, 150

4. We submit that these reductions are unjust to the examining officers by rendering a large number of them redundant in their respective classes, thereby preventing promotion; and that the present pay and prospects of the examining officers are not commensurate with their great responsibilities, arduous duties, and long hours of labour. We therefore suggest that the minimum salary of the grade should be 110*l.* as at present. That the increment should be 10*l.* annually. That should an officer reach 220*l.*—the maximum of the 2nd class—before a vacancy shall have occurred in the 1st class, he should continue to to receive his increment of 10*l.* until a maximum of 350*l.* be reached: provided that a thoroughly satisfactory report be made by his superiors as to his character, diligence, and competence to perform all the duties relating to the position of examining officers of the 1st class.

These recommendations are on the lines of paragraphs 41 to 50 in the second report of your Commission with reference to clerks of the proposed second division. We have suggested an annual increment of 10*l.* instead of 7*l.* 10*s.* from 110*l.* to 220*l.*; first, because either a long period of approved service, or success in a competitive examination following several years good service, is necessary before an officer is promoted to the position of examining officer, and secondly, because the duties of an examining officer are no less important, are more arduous, and extend over more hours per day than those of the great majority of Civil Service clerks.

5. Since the amalgamation of the waterguard, landing, gauging, and clerical sections of the service, in 1882, additional individual responsility has become attached to the position of examining officer, for whereas previous to that time efficiency in any one of these sections was sufficient to insure promotion, it is now necessary, by the orders of the Board, to possess the combined qualifications of efficiency in all, before promotion even from class to class can be obtained.

6. On the waterguard examining officers are required to take all steps necessary for the prevention of smuggling, to enforce the laws and regulations relating to quarantine and explosives, and to carry into effect the many orders issued from time to time by the Privy Council relative to the importation of cattle, &c. from foreign countries from which infectious diseases might be introduced into the United Kingdom. The measurement of deck cargoes for Board of Trade purposes, the rummaging and clearing of vessels, and the general supervision of the immense trade of the Thames, foreign and coastwise, are also included in the duties of the waterguard. The performance of these duties requires a great amount of tact and discrimination.

7. On landing duties examining officers estimate for duty all dry goods on importation or delivery, examine passengers' baggage and goods ariving through the Parcels Post, taking the duties in connection therewith, and superintend the landing and the delivery of the cargoes of all vessels from foreign ports, seeing that before passing out of charge of the Customs every package imported is accounted for, and subjected to such examination as guarantees the legitimacy of trade, and the proper protection of the Revenue. In connexion with the examination of free goods these officers are responsible for the application of the prohibitive and restrictive laws pertaining to the importation of copyright works, indecent prints and literature, counterfeit coins, and goods of foreign manufacture coming within the provisions of the Merchandise Marks Act, 1887, duties of the utmost importance in the interest of the manufacturers and general public of this country.

8. The statistics of all goods imported are prepared for the Board of Trade by the Customs department. But although these statistics are compiled in the Statistical department, the examining officers are held responsible for the accuracy of the quantities, values, and description of the goods as entered by the merchants.

9. On Export duty they examine and certify to the shipment of all bonded and transhipment goods and goods entitled to drawback, such as tobacco, snuff, gold and silver plate, and also beer received from the Excise.

10. Examining officers gauge, test, and bring to account all wines, spirits, and beer imported, and spirits of British manufacture removed to Customs warehouses. They analyse beer, test spirits for obscuration, and wines, liqueurs, and preparations containing spirit for alcoholic strength; superintend the operations on wet goods in bond, such as vatting, blending, mixing, fortifying, bottling, &c.; re-gauge all casks on delivery from warehouse, fixing the quantity for duty; and compute and allow losses in warehouse in accordance with an approved scale. In this branch of their duties much discretionary power is vested in the examining officers, and great ability, care, and technical knowledge are necessary. The Wine Duty Act, 1888, imposed *ad valorem* duties, and has complicated the work and increased the responsibility of the officers. The contents of casks are now gauged to the quart instead of to the gallon, and the liquid quantity being calculated to the tenth of a gallon, losses to the Revenue must inevitably occur unless much greater care and accuracy be shown than were necessary under previous regulations.

11. Examining officers now perform the clerical work in connexion with all dutiable goods received into, and delivered from, the various Customs vaults and warehouses in the Port of London. They raise accounts of importations and of receipts under bond from the Excise; compute and assess duties which amount, in London, to over 10,000,000*l.* annually; issue certificates for the return of money overpaid, and for the payment of drawbacks and allowances on British spirits exported; control all operation accounts, and sign the orders necessary for all deliveries, whether for home consumption, removal, or exportation. This work is of a far more responsible nature than that upon which higher division clerks are engaged in many departments of the Civil Service, as the delivery of all bonded goods is practically without control—solely in the hands of the examining officers, whose signatures are the only authority for such deliveries. Under the system which existed previous to June 1882, the delivery order was signed by the clerk keeping the accounts, countersigned by a higher division clerk with duty pay, or a principal clerk with a maximum of 620*l.*, and finally, the signature of the officer in charge of the warehouse was necessary before a package could be delivered.

12. The hours of labour for officers on gauging, clerical, and landing duties, are from 8 to 4 for eight months, and 9 to 4 for four months of the year, thus giving an average of 7⅔ hours per day; but officers superintending the discharge and loading of vessels have been required to be in attendance under certain circumstances from 6 a.m. to 6 p.m. during the summer, and from 8 a.m. to 4 p.m during the winter.

13. We desire to call particular attention to the number of hours during which officers on waterguard duty are employed, which very considerably exceed those of any other civil servants. On some stations they are required to be on duty without sleep for every alternate 24 hours during the year; on others, the attendance required is, on one day, from 8 or 9 a.m. till dusk; on the second day, for 24 consecutive hours, the third day off, and so on. The officers are thus employed on Sundays and bank holidays as on week days, the hours of labour averaging from 75 to 84 per week. With reference to these hours, we submit the following extract from the report of the Horsfall Committee of the House of Commons in 1862, c. 58:—

> "With regard to the official hours of attendance, your Committee deem it right to remark that they consider eight consecutive hours per day during the summer months sufficient; recently, however, the examining or landing officers of the Customs Department have very frequently been compelled to attend during 12 consecutive hours without any interval for rest or meals, and without extra remuneration. This is a great hardship. Those officers' homes are several miles distant from their places of business, and, in order that they may be in attendance at

Memorials.

" 6 a.m. they must rise at 4 a.m., for they must " breakfast before they leave. In addition, they " are compelled to make occasional night and " Sunday visits to the docks; moreover, while so " much additional work has been thrown upon " them, their pecuniary prospects have been very " much reduced. Your Committee are of opinion " that this is a case well worthy the consideration " of the Government. The officers ought not to " be compelled to be in attendance longer than " eight hours per day, and they should be relieved " of night and Sunday visits; where such atten- " dance is absolutely necessary, other arrange- " ments should be made in order to provide for it. " The cost will be trifling when compared with " the injury inflicted on an already overworked " body of officers."

Although the practice of employing officers for more than eight hours per day was thus condemned, not only does this practice still exist, but alternate 24 hours' stations have been introduced and the number increased within the last few years.

14. The enumeration of examining officers' duties without some reference to the conditions under which they are performed, would convey but an inadequate idea of their difficult and onerous nature. On the waterguard the officers are subjected to exposure, both by night and day, in open boats on the river, and are required to examine goods in barges, and to board vessels, often under dangerous circumstances.

15. On landing duty the officers examine and weigh goods on quays, wharves, and in open sheds; and on gauging duty, not only are the officers similarly exposed, but a great part of the work is performed in damp, badly-ventilated warehouses and underground vaults, where the atmosphere is vitiated with noxious gases, and where artificial light is in constant use, much to the detriment of the health and to the injury of the eyesight of the officers employed. The clerical duties of examining officers are also frequently discharged under conditions incompatible with comfort and dangerous to health. On the introduction of the new system in 1882, the clerical work of the warehousing departments was transferred from the Custom House to offices in connexion with the various bonded warehouses. These offices were approved without due regard to the health of officers, the convenience of merchants, or the safety of official books. Since that time, in consequence of numerous complaints, often taking the form of petitions to the authorities, a considerable number of these offices have either been enlarged, or abandoned for more suitable premises. Notwithstanding the fact that a question was asked in the House of Commons by Mr. Lawson on 4th June 1886, and the unsatisfactory nature of the accommodation admitted, many offices are still in existence which are unfit for occupation.

16. Promotion to the position of examining officer takes places partly by selection and partly by departmental competitive examination, but advancement from the 2nd to the 1st class in the grade is wholly by selection, some regard being paid to seniority. The lists of officers, however, are now arranged alphabetically, and it is feared that this affords some facility for favouritism as regards promotion. This fear is increased by the fact that each officer receives his character from the inspector of his district, with whom he seldom comes in contact, and who is therefore almost wholly dependent on the surveyor under whom the officer serves for the knowledge upon which the character is founded. We would therefore suggest that an officer's character should be fixed, as heretofore, by the vote of all the superiors who may have a knowledge of him during some period of his official career. If, under this system, the officer should receive an unfavourable character, the fact should be communicated to him, in order that he may have an opportunity of explaining any unfair circumstance that may have militated against him.

17. Since 1882 a considerable number of 2nd class examining officers from the outports have been promoted to the 1st class in London, while only one similar promotion has taken place from London to the outports. This departure from the previous system under which the higher positions in London were reserved for the officers of the port will, if continued, unfairly lessen their prospects of promotion. Should it be considered desirable, however, for promotion to be general throughout the United Kingdom, we would submit that the London officers should either receive higher salaries, or such travelling allowances as would at least place them on an equality with examining officers at the outports.

18. The various offices and bonded warehouses of the port of London are spread over a very wide area, lying between Victoria Station and the Royal Albert Docks (a distance of 14 miles), and as officers are often removed from one station to another, from one to two or more hours daily are necessarily spent in travelling. This is but one of the numerous disadvantages under which London examining officers suffer, and for which they receive no compensation whatever, notwithstanding the following principle laid down by the Playfair Commission in their third Report:—". . . we are " clearly of opinion that no officer should be out of " pocket by reason of extraordinary expenditure for " official purposes, except where the salary may have " been fixed with a special view of including such " expenses."

19. The salary of a 2nd class examining officer in London can hardly have been fixed with a special view of including additional expenses, for although the minimum salaries of surveyors and 1st class examining officers are higher in London than at the outports, the salary of a 2nd class examining officer is exactly the same throughout the United Kingdom. Until recent years the London 2nd class examining officers had a higher minimum salary, and we strongly contend that these officers are entitled to increased remuneration in consideration of the higher rents and travelling expenses involved in residence in London.

20. With reference to the system of promotion, it should be stated that considerable discontent exists throughout the service in consequence of the reduction of the surveyorships. The following tabular statement will show the extent of this reduction:

I.—Classification in January 1882, prior to the new system—		
Superior positions equivalent to surveyorships.		46
Positions equivalent to examining officerships.		286
or a proportion of 1 to 6·2.		
II.—Classification approved in March 1882—		
Surveyorships - - -		75
Examining officers, 1st class	120	
Do. 2nd class	430	
		550
or a proportion of 1 to 7·3.		
III.—Present classification—		
Surveyors - - - -		60
1st class examining officers -	120	
2nd class do. -	302	
Assistant do. -	160	
		582
or a proportion of 1 to 9·7.		

21. The above figures cannot fail to illustrate the great injury inflicted on the prospects of the examining officers, by the considerable departure from the classification of 1882, which we presume was approved with due attention to the requirements and efficiency of the department. We contend that such a reduction, for which no compensation has been given, practically amounts to a breach of faith with the officers. A memorial with reference to this grievance was forwarded to the Lords Commissioners of Her Majesty's Treasury in July 1885. The reply received was to the effect that no definite answer to the memorial could be given, as the subject would shortly be considered by the Royal Commission on Civil Establishments. This serious reduction has almost brought promotion to a standstill, and, while lessening control, has considerably increased the responsibilities of examining officers, many of whom are employed without additional salary on work of supervision to which higher division clerks with duty pay were appointed under the recommendation of the Playfair Commission, and to which surveyors were appointed in 1882.

22. As evidence of inadequate control, we may mention the failure to arrive at a satisfactory result in the attempt at stocktaking in 1885. The numerous errors then discovered in the accounts were due partly to the insufficient check exercised over the work of the officers, and partly to the fact that in many of the offices the staff was not large enough to do the work efficiently. Again, on the rummaging or waterguard duty, the staff is, we contend, altogether unequal to the amount and importance of the duties to be performed. One of the consequences of this is that a perfect rummage of every ship arriving in port is an utter impossibility, a

fact which demands serious attention, seeing that upon this rummage largely depends the security of the revenue. On gauging duty, where dutiable goods alone are dealt with, the deficiency of control is still more serious, as undiscovered errors in determining the quantity for duty, would directly affect the revenue. The necessity for complete supervision on operation floors, where there are many opportunities for fraud, is also unquestionable.

23. It is desirable, in the interests of the public service, that attention should be drawn to the fact that in the Customs Department practical officers are debarred from rising to collectorships.

24. In the Excise the collectorships belong exclusively to the out-door service, a system approved by the Playfair Commission in their Third Report, which states that "the office of collector requires a practical "knowledge and experience of duties which clerks "who have not passed through the various ranks in the "out-door branch have no opportunity of obtaining." In the same report the aforesaid Commissioners recommend the adoption of a similar system in the Customs. "We think, for instance, that it well deserves consider- "ration whether the important office of collector "should not be opened to the whole service, out-door "as well as in-door, in the same manner as post- "masterships above a certain value are thrown open "to the whole of the Post Office service;" and further, that such a course "would enable the Commissioners of "Customs to select from a larger body of experienced "officers the persons suited for the more important "posts."

25. Mr. Goulburn, a former chairman of the Board of Customs, in his evidence before that Commission, speaking of surveyors, stated that "some of them no "doubt would make good collectors, but they would "require to learn the bookwork." This objection cannot now be urged, as surveyors and examining officers are employed on clerical as well as practical duties.

26. The surveyors-general are almost exclusively drawn from the out-door department, so that it is an anomaly that officers in a grade superior to collectors, and having jurisdiction over them, should be drawn from a branch distinct from that which furnishes collectors.

27. Again, while instances may be cited of commis-missioners and secretaries in the Inland Revenue rising from the junior ranks, no like instances can be quoted in the Customs Service. We would submit that the practical officers of this department should not be debarred from rising to high offices of control, more especially as the great majority of the Board's decisions are based on reports from such officers.

28. Another defect incident to the present system of promotion is the retention of officers, chiefly in the higher positions of the service, to an age much beyond that recommended by the Commission of 1857 as a maximum for active service, As a result of this, important posts are often held by men who are incapacitated from age from occupying them to the public advantage; and further, legimitate promotion being greatly retarded, the chief stimulus to zeal and industry is kept at a minimum, much to the disadvantage of the department as a whole. The present system of superannuation was adopted on the Report of the Commission of 1857, and we would submit that the recommendation of that Commission to the effect that superannuation should be general at 60, and compulsory at 65 years of age, should be rigidly adhered to in the Customs Department.

29. As superannuation allowances are practically deferred pay, we would also suggest that the widows, children, or other dependants of those officers who die during active service, should be entitled to a gratuity or allowance, estimated on the salary received and the period of service.

In conclusion, we beg to submit a summary of this statement.

(1.) That the salaries of examining officers should rise from 110*l.* by 10*l.* per annum to 350*l.*, but that no officer should attain to a higher salary than 220*l.* without fully satisfying the requirements specified in paragraph 4 of this statement.

(2.) That when an examining officer performs the duties of a higher grade he should receive compensation for his increased responsibility.

(3.) That examining officers in London should receive higher salaries or travelling allowances, in order to place them upon an equality with those at the outports.

(4.) That examining officers should in no case be employed for more than eight hours per day without additional remuneration.

(5.) That the collectorships of customs should be thrown open to the out-door department.

(6.) That retirement should be general at 60, and compulsory at 65 years of age.

(7.) That the Superannuation Act of 1859 be modified to provide for the widows or other dependants of officers who die during active service.

We respectfully submit this statement for the consideration of your Commission, and shall be prepared to support and amplify the same by the evidence of our representatives.

November 1888.

(Signed) G. C. Carter.
T. Cubbin.
M. Devereux.
H. Genochio,
T. J. Harris.
J. L. Hicks.
J. Maguire.
Jas. Jones.
J. Maxwell.
J. McCutcheon.
G. Mitchell.
M. J. Sheridan.
Wm. Symons (Secretary).
J. T. Underhill.
J. Whiteside.
Committee.

CUSTOMS DEPARTMENT.

Out-door Officers.

A Statement prepared by the Out-door Officers Central Committee, respectfully submitted for the consideration of the Civil Establishments Inquiry Commission.

Classification and salaries prior to Parliamentary Inquiry of 1881:—

London and Liverpool:—
First class, 438 - - 85*l.* by 1*l.* 10*s.* to 100*l.*
Second Class, 586 - 70*l.* by 1*l.* to 80*l.*
Outports:—
First Class, 377 - - 75*l.* by 1*l.* to 85*l.*
Second Class, 740 - 55*l.* by 1*l.* to 65*l.*

Mr. Norwood's Committee, appointed in May of that year, recommended a uniform scale of pay throughout the kingdom, and the salaries were readjusted as shown in the following table:—

Establishment and salaries for the financial year 1888–89:—
First Class, 548 - - 85*l.* by 1*l.* 10*s.* to 100*l.*
Second Class, 821 - - 55*l.* by 1*l.* 10*s.* to 80*l.*

As it is difficult for any one unacquainted with the work of the Customs Out-door Department to form a just estimate of the nature and importance of the services rendered by Out-door Officers, and as the representations made by the late Chairman of the Board in evidence before the Playfair Commission are misleading and tend to depreciate the value of these services, we venture to submit a detailed statement of the duties of the Out-door Officers in the Port of London, which, as "the duties and responsi- "bilities of these Officers are substantially the same, "whether stationed in London, Liverpool, or the out- "ports,"* may be taken as representative.

The London staff is divided into two sections, Gravesend and London proper.

Gravesend is the boarding station for the port, and about 30 per cent. of the Officers are attached to it. Though the nominal residence is at Gravesend, very little of the Officer's time is spent there, and he is frequently absent on duty for days, and even weeks at a time. Under the most

* Report of Mr. Norwood's Committee.

Memorials.

favourable circumstances he has not the privilege of spending the night at home until he has been 24 hours on duty, and even then he is liable to be called upon if required. He is principally occupied in guarding vessels in transit up and down the river, or in taking account of cargoes as they are shipped or unshipped.

On the arrival of a vessel at Gravesend from foreign (say a steamer from Hamburg or Rotterdam) two or three Officers are sent on board. Their charge is "to prevent "any goods being unshipped without proper authority." They are required to be continually on the alert; to check all goods delivered with their delivery orders, and to make out the necessary documents to accompany them to the various stations for which they are entered (except in the case of such free goods as are examined and cleared alongside, such goods being in charge of the officer until cleared by the visiting examining officer); to record the required tally account; to obtain the lightermen's signatures; and to prevent any unentered goods from being illicitly delivered. The efficient performance of this duty requires attention, quickness, and tact, and its importance will be apparent when it is borne in mind that unentered packages, if once allowed by the inattention of the Officers to be delivered into craft, which are usually in charge of the lightermen only, may easily escape without detection. In the case also of dutiable goods for landing, goods for transhipment, and goods exported under bond, the safety of the revenue is largely dependent on the correctness of the boarded Officer's account.

The hours of these Officers are longer than those of any other servants of the Crown. The legal time for the discharge of vessels during eight months of the year is from 6 a.m. to 6 p.m., and after 12 hours' active work the Officers (if two or three) are required to keep watch in turn during the night; thus the day's work of a boarded Officer is very frequently from 16 to 18 hours. Even the nominally shorter hours for discharging during the winter four months are very little relief, as the regulations require all the Officers to be on deck from 6 to 6, even when the vessel is not working, and to keep watch during the night as before stated. They are also compelled to remain on duty nearly every Sunday, and 1s. is the only additional remuneration they receive for that day's service.

We would respectfully beg to call the attention of your Commission to the fact that, in the opinion of every superior Officer who has any practical knowledge of the boarding duty, and of the hardships and inconveniences which it entails, the Crown, apart from the question of salary, exacts more from the Out-door Officers than can be reasonably expected. Mr. Hunt (late Surveyor-General) candidly admitted this in his evidence before the Norwood Committee.

With a view to remedy this hardship, we beg respectfully to suggest that, when practicable, the night watch be kept by extra Out-door Officers, the established Out-door Officers still remaining on board, and, therefore, available for the due protection of the revenue, should the necessity arise.

We now come to describe the duties of the Out-door Officers stationed at the various docks, wharves, and warehouses, and commonly known as London Officers.

The several docks and wharves are for Customs purposes divided into stations, each under the supervision of a special Examining Officer. These stations are subdivided into smaller ones in charge of Out-door Officers, who are responsible for carrying out the regulations of the service, in so far as the landing and immediate removal of goods are concerned. The extent of this removal business may be judged from the fact that teas are never brought to account in the lower docks, and yet the landing of from 20,000 to 40,000 packages in a couple of days is quite a common occurrence. In conformity with sec. 50 of the Customs Consolidation Act, every ship bringing goods to the United Kingdom must be reported at the Custom House. The report, according to the Revenue Code, par. 232, "contains particulars of the entire cargo and is "the foundation of all Customs accounts." It is filed in the Long Room and a certified copy issued for the information and use of the Officers. The consignees of goods are also compelled to make entry of the same before delivery. This entry gives the marks, numbers, and description of packages and goods, with their value, and, in most instances, the weight. It is sent to the station where the vessel is discharging, and is the Examining Officer's authority for dealing with the goods specified therein; a copy of this entry, in the shape of a landing or delivery order, addressed to the Out-door Officer, is issued in most instances. The copy of report, with the free entries, and delivery orders, are for the most part in the custody of the station Out-door Officer. He compares the entries or delivery orders with the items on the report, noting their number and date and any discrepancies; informs the weighing or gauging Examining Officer at the station where duty goods specified in the delivery orders are to be brought to account whether they agree with the report (if not they are liable to detention); issues the necessary documents to accompany all goods removed to other stations or for transhipment, and countersigns the warehouse-keeper's passes; checks the weights on free entries with those furnished by the dock companies, and prepares amended returns for statistical purposes, if necessary.

When the Examining Officer has completed his examination of the free goods, and particulars of the dutiable goods brought to account are to hand, the station Officer finally checks the report and tabulates the discrepancies, bringing them under the notice of the special Examining Officer and Surveyor, who, if not satisfied, call upon the brokers to amend their report. Having collected all the books and papers connected with the ship and properly arranged them, they are transmitted to the Custom House for final jerquing.

In the export work of the port the duties devolving upon the Out-door Officers are even more important than those already described. Examining Officers employed on this duty are termed "searchers," and an Out-door Officer, called assistant searcher, is stationed in each searcher's office. His duties are to receive and keep an account of all export documents, and when complete to forward them to the proper departments in the Custom House. In the absence of the searcher he examines dutiable goods for ships' stores, and is responsible for the custody of all samples of beer and other drawback goods drawn on behalf of the Inland Revenue Department. Evidence of the due shipment of such goods, as well as all removals under bond, is for the most part supplied by Out-door Officers, who, in addition to keeping an account of tobacco, spirits, and transhipments, are to scrutinize cargo books, brokers' and dock companies' sheets, as a check upon the shipment of all dutiable goods, procuring and countersigning the mate's receipt for each parcel. It will, therefore, be seen that in practice (apart from the examination of goods) the bulk of the current work, whether on import or export stations, is performed by Out-door Officers.

In addition to the duties enumerated, the whole sampling accounts of tobacco in London are kept by Out-door Officers, and by them furnished to the Clerical Examining Officers. All but a small proportion of samples are drawn by their authority, and they are solely responsible that before a second or subsequent sample is drawn the previous one, if not duty paid, is returned and reweighed. The important nature of this work will become apparent when the duty involved in these transactions reaches a daily average of 200*l.* in the Victoria Dock alone.

A small per-centage of the staff, mostly men of long service, are employed as lockers; their chief duties consist of locking and unlocking the various bonded vaults and warehouses and in checking receipts and deliveries. In addition, about 70 are performing the duties of Examining Officers more or less continuously.

In his evidence before the Playfair Commission, the then Chairman of the Board summarised these duties as follows:—

"Except when acting in a superior capacity, Out-door Officers are subject to the constant check and supervision of Examining Officers, and their duties are simple and easily performed."

Again,

"The principal duty of an Out-door Officer is simply the protection of the revenue; when entrusted with higher duties he is either acting in a superior capacity or subject to the constant check and supervision of a superior officer."

Presumably, the salary is based upon the official estimate, and, such being the case, we submit that it is not commensurate with the duties performed.

The increment received by Out-door Officers is unquestionably very small, and it is in this direction that we would beg the consideration of your Commission. Under the present system it takes 27 years to reach the maximum salary, even if no stoppage occurs by reason of the classification; and when the smallness of this maximum is borne in mind it compares very unfavourably with every other section of the Civil Service to which admission is obtained by open competition.

The proposal we venture to submit is—(1) That the annual increment be increased to 3*l.* (2) That classification be abolished in accordance with the recommendation of the Playfair Commission, and the views expressed by Mr. Hunt before the Norwood Committee.

Attempts have been made to justify the classification on the ground that it tends to promote zeal, and thereby to

increase the efficiency of the service. We submit that this argument is wholly baseless, and that an artificial barrier which retards the advancement of the zealous and indifferent alike, produces the very opposite result. Further, the Board reserve to themselves the right of stopping an Officer's increment at any time, and can in this very effectual manner express their disapproval of negligence and misconduct.

With regard to the promotion more immediately open to our grade, we beg to submit the following table, showing a marked diminution in the number and value of appointments. This table may perhaps contain some slight inaccuracies which our Honourable Board, from their more exact sources of information, may be in a position to correct.

Year.	To Out-door Officer 1st Class.	To Assistant Examining Officer.	To Examining Officer 2nd Class.
1883	52	—	61
1884	24	—	59
1885	22	—	26
1886	56	61	28*
1887	92	68	22†
1888	17	42	7

* Includes 2 promotions from Assistant Class.
† Includes 6 promotions from Assistant Class.

So late as 1885 the only channel of promotion open to Out-door Officers was to the grade of Examining Officer, salary 110*l.* to 300*l.* In that year a new intermediate class was created, styled "Assistant Examining Officer," salary 100*l.* to 150*l.* The creation of this new class has already caused a very material reduction in the number of Second Class Examining Officers, and the encroachments appear likely to continue for a considerable period. We would respectfully direct attention to the serious injury which this change inflicts on the prospects of Out-door Officers, who on entering the service confidently looked forward to obtaining the appointment of Second Class Examining Officer in the ordinary course. This latter class is recruited half by competition and half by selection, a system we consider on the whole satisfactory, but we are of opinion that the result of such examinations, together with the marks obtained in each subject, should be notified to every candidate, so that those who were unsuccessful could direct their future studies accordingly. While we are unable to see that the interests of the public service could be thereby in any way jeopardised, such a concession would remove the considerable dissatisfaction engendered by the present system of withholding this information.

With regard to the Assistant Class, which is at present filled by selection alone, we would respectfully suggest that such selection be governed by seniority coupled with fitness.

The dearth of promotion in the Department seems to have occupied the attention of the Playfair Commission, inasmuch as they recommended that "advantage should "be taken of every opportunity to widen its area." A very gratifying step in this direction was taken in 1886 by our Honourable Board in the opening up of 20 of the vacancies for out-port clerk to the subordinate Officers by means of a limited competition With a view to its further extension, we have recently memorialised their Honours that all vacancies in the clerical establishment of the Department may be filled in the same manner. A copy of this memorial, and of the Board's reply, is enclosed for the information of your Commission. It may not be out of place to here advert to the fact that a number of Copyists, who are required to pass a more elementary entrance examination than Out-door Officers, have recently received appointments as Out-port Clerks, and, as far as we are aware, without further examination.

It has long been the practice throughout the United Kingdom to employ Out-door Officers in the capacity of Examining Officers for very lengthened periods, as much as 10 or 12 years in some instances, additional remuneration at the rate of 2*d.* an hour, but not exceeding 1*s.* per day, being allowed in most instances when so employed. The mobility attaching to this system probably gives it some advantages over the new assistant class. Its manifest unfairness, however, renders its abolition highly desirable. At the present time there are Officers of comparatively short service who are employed as "Acting Examining Officers," while their seniors, men of equal capacity, are shut out, simply because the exigencies of the port at which an Officer is stationed practically determine whether he be so employed, utterly irrespective of his relative capabilities. We would urge that acting men be merged in the assistant class, and that in the event of exceptional pressure at any time arising, such, for instance, as might occur in London in the height of the tea or dried fruit season, Out-door Officers perform so much of the scale work on their respective stations as may be requisite to relieve such pressure, and as a purely temporary expedient.

As the hours of employment vary considerably at different ports, those at water-guard stations being very irregular and often prolonged to extremes, we would venture to suggest that Officers be afforded an opportunity of removing at their own request and expense, from water-guard to warehousing ports, where the hours are usually fairly regular. This concession, while conferring a substantial boon upon the Officers, would undoubtedly tend to increase the efficiency of the service.

The area of such regular employment might be extended by gradually discontinuing the employment of copyists throughout the Department and substituting Out-door Officers.

We trust that your Commission will consider the advisability of recommending the compulsory retirement of all Officers at 60 years of age, and that as the salaries are assessed with due regard to superannuation allowances, the question of making provision for the wives and families of Officers dying in harness, proportionate to the accumulation of their deferred pay, may receive your attention.

The final point we venture to submit for consideration, should it fall within the scope of your Commission, is the system under which the characters assigned to Out-door Officers are determined. In the evidence adduced before the Playfair Commission it is set forth as follows: "The "Board take the matter into consideration every year; "each Officer's name is brought up in turn, and his "character and conduct during the 12 months are discussed, and the Surveyor under whom he has served is "held responsible for the character he gives," concerning which absolute secrecy is observed. Such character may possibly be "unsatisfactory," and yet the Officer remains in utter ignorance. As a rule, it is only when he applies for permission to attend some departmental competition that the information is communicated. In a mercantile or banking house an employée who failed to give satisfaction would be cautioned forthwith, and we venture to hope that this principle may be introduced into the Customs service. If deemed expedient, a plan analogous to the Excise system might be adopted. Let every Officer be supplied with a journal similar to those issued in London and Liverpool, and let all derelictions of duty be noted therein, copies of such notifications being sent to the Board at the time. All charges, whether investigated by their Honours or not, to be deemed substantiated unless appealed against by the Officer; the period during which such cautions, censures, or reprimands be deemed a bar to promotion not to exceed two years. We are constrained to make this last proposal in the belief that penal and indefinite disability, precluding all reasonable hope of advancement, tends to demoralise the officer and reacts to the detriment of the public service.

In conclusion, we beg to restate briefly the views we advocate:

I. That the salary is not assessed on a fair estimate of the duties performed; that it be increased by raising the annual increment to 3*l.*; and that classification be abolished.

II. That promotion to the rank of Second Class Examining Officer be half by competition and half by selection; that the clerical staff be recruited by competition alone; that promotion to the new assistant class be by selection governed by seniority and fitness.

III. That the system of employing Out-door Officers as Examining Officers for lengthened periods when the pressure of work is only normal is manifestly unfair, and as a system, should be discontinued, and such employment only resorted to to meet a temporary pressure.

IV. That Officers serving at boarding or patrol stations be afforded facilities for removing to warehousing ports as vacancies occur, and at their own expense, and that the employment of Copyists be gradually discontinued.

V. That retirement at the age of 60 be compulsory, and that some provision be made for the wives and families of men dying in harness.

VI. That any alteration in our hours of labour shall be in the nature of a reduction of those hours where they are excessive.

VII. That the system of awarding characters be modified and assimilated with the practice prevailing in the Excise and other Government Departments.

Memorials.

Signed on behalf of the Out-door Officers' Central Committee.

J. F. Atkinson, Chairman.
F. Fitzgerald, Treasurer.
J. Grimes, Hon. Sec.
D. Moloney } Representatives.
T. A. Webb }

Copy of Petition to the Honourable Board praying that Vacancies in the Clerical Establishment of the Department may be filled by Limited Competition amongst the Subordinate Officers.

We, the undersigned Out-door Officers of Customs, respectfully request that your Honours will be pleased to take into your favourable consideration the advisability of filling the vacancies in the Clerical Establishment of the Department by limited competition amongst the subordinate Officers.

Under the present organisation the number of subordinate Officers is about 2,428, and the number of superior appointments (Examining Officers and Surveyors) to which they are eligible for promotion, 1,438, thus rendering it inevitable that the greater part of a lifetime must elapse before, in the ordinary course of service, a subordinate can attain to any superior position.

We would venture to call your Honours' attention to the fact that in the Inland Revenue Department, where the number of subordinate Officers is about 900, and the number of superiors 3,435, the Commissioners have already obtained the sanction of the Treasury to a similar scheme.

We are aware that it has been urged that the subordinate Officers of the Out-door Department are not possessed of the necessary educational qualifications for the efficient discharge of the responsible duties required from the superiors of the In-door Branch, but we would respectfully submit that this argument does not apply to those Officers who have entered the Service by competitive examination. The men who at present enter the Service are, in the main, drawn from the same ranks of society that supply candidates for Lower Division Clerkships and Assistants of Excise, and the fact that the entrance examination is more elementary does not by any means prove that the men are intellectually inferior. Men present themselves as candidates for appointments in the Customs with the understanding that after three years they will be afforded an opportunity to compete for appointments superior in remuneration to those obtainable in the Lower Division or Inland Revenue after a like period of service. Many of these, on discovering their mistake, successfully compete both for the Excise and Lower Division, thereby proving the truth of our statement, and it may be pointed out that the reason these transfers are not more frequent is owing to the fact that the men are disqualified on account of age.

The result of the examination for 30 out-port clerkships, 20 of which were, through the kind intervention of your Honours, reserved for limited competition amongst the subordinate Officers of the Out-door Department, is a further proof of the truth of our contention. Comparing the aggregate number of marks obtained by the 10 successful candidates in the open competition with those awarded to the first 10 in the limited competition, it will be seen that the former have the advantage; a further scrutiny, however, will reveal the fact that in those subjects which require most general intelligence, such as English composition and indexing, the Out-door Officers have the advantage. The falling off of the aggregate of the marks obtained by the Out-door Officers is accounted for by the fact that such subjects as copying manuscript and book-keeping, in which the candidates for the open competition had the advantage of a careful course of training, did not form part of the only departmental examination open to subordinate Officers, and the time between the announcement and the holding of the examination was too short to enable them to attain the necessary proficiency. It is also obvious that an Out-door Officer, whose ordinary duties often occupy 12 hours per day, is placed at a decided disadvantage in competing with a youth who has been devoting his whole time to preparation.

We submit that the knowledge of the working of the Department acquired by an Officer in the course of five or six years' service would enable him to perform the ordinary duties of a clerk more efficiently than a youth fresh from school, who would necessarily require some time to enable him to grasp the nature of the matters with which he would have to deal.

If proof be needed of the ability of the Out-door Officers to perform clerical work we may cite the fact that men who were formally Out-door Officers are now performing the greater part of the clerical work done by Lower Division Clerks prior to the re-organisation of 1882, and are giving entire satisfaction.

We wish to impress upon your Honours that we are prepared to qualify ourselves to reach any educational standard that may be thought necessary, and that in the event of the requisite number failing to reach this standard we shall be quite satisfied that the system of open competition be resorted to in filling the remaining vacancies.

In conclusion, we submit that the opening of this new channel of promotion would in a measure tend to allay the existing discontent, and conduce to the greater efficiency of the service.

Reply.

Board's Order, 5th February 1887.

"The Office Inspector will cause the applicants to be informed that, whilst the Board do not admit the accuracy of some of the statements and figures contained in the memorial, the Board are in accord with the general tenour of its prayer, as is shown by the action of the Board in regard to recent clerical vacancies at the out-ports, which resulted in 20 out of 30 of such vacancies being placed by the Lords of the Treasury at the disposal of the Board, and by such places being finally filled by successful competitors from the ranks of Out-door Officers.

"The Inspector will further inform the memoralists that in their report of last year to the Treasury the Board made reference to their then previously made proposals in favour of recruiting the clerical out-ports service to some extent from the out-door ranks, and that as vacancies of second class clerk become available the Board will take the question again into consideration."

CUSTOMS DEPARTMENT.—OUTDOOR OFFICERS.

A Statement prepared by the Outdoor Officers stationed at the Port of Liverpool, respectfully submitted for the consideration of the Civil Establishments Inquiry Commission.

The situation of Outdoor Officer is filled up by competitive examination. Candidates must be over 19 and under 25 years of age, and it is necessary that they should have received a thorough English education, otherwise they would have but a small chance of success in these days of keen competition.

Salaries.

There are at present two classes of Outdoor Officers—the 2nd Class, commencing with a salary of 55*l.* per annum, and rising, by annual increments of 1*l.* 10*s.*, to 80*l.*; the 1st Class commencing at 85*l.*, and rising by 1*l.* 10*s.* to 100*l.*

As the services of Outdoor Officers have hitherto been undervalued, they having been described as irresponsible and "simple and easily performed" (see evidence of Chairman of Board before Playfair Commission), and as this has been put forward as a justification of the smallness of our salaries, we beg to submit the following brief statement of the duties performed by Outdoor Officers in Liverpool.

Our duties might conveniently be arranged under five heads, viz.—Boarding, Landing, Export, Warehousing, and Clerical.

Boarding duty.

On boarding duty about 35 of the junior officers are constantly employed. It is usual to place two officers on board of each vessel coming from foreign ports where tobacco and other high duty goods are easily obtainable. They are compelled to be continually on the alert, and to keep a vigilant watch on the ship's deck from 6 a.m. to 6 p.m. But their duty for the day does not end here, as each officer has further to perform six hours of a similar duty during the night, making a total of 18 hours' service out of every 24. Should the ship on which they are boarded enter dock during the night, both officers have to be on deck from the time she gets

under weigh until she is moored and the crew have gone on shore. It therefore often happens that they have to do about 40 hours' duty in 48 consecutive hours. The duration of an officer's detention on board varies from two to seven days, during which time there is no relaxation from duty, and the privilege of a night at home after many days' compulsory absence depends entirely upon the exigencies of the service. It is the duty of an outdoor officer boarded to examine all packages of seamen's effects about to be landed, with the view to the prevention of smuggling. When dutiable goods, especially tobacco or spirits, form part of the cargo, the boarded officers have to exercise great vigilance to prevent any tampering or undue interference with such goods in the ship's hold during discharge. They are compelled to be on duty every Sunday, and receive no extra remuneration for the day's service beyond the sum of one shilling. These officers are also unable to take advantage of the Bank Holidays allowed Civil servants by Act of Parliament.

We respectfully beg to submit that the number of hours' duty exacted from these officers is excessive, and that the small salary paid them is no adequate remuneration for the performance of such laborious duties at the risk of permanent injury to health. We are of opinion that the whole "boarding" system should be modified, with a view to removing the grievances complained of, and that the duty could be as efficiently and economically performed by a selected staff of naval pensioners, who, from the nature of their previous employment, would be better suited to the requirements of this duty than youths fresh from school.

arantine. In connexion with this branch of our duties might be mentioned the fact that a number of Outdoor Officers, stationed at the various Pierheads, are now entrusted with the important and responsible duty of enforcing the Quarantine regulations. Until recently only officers of superior grades have been considered competent to perform this duty.

ding export y. The duties of Landing and Export Officers are so closely allied that on many stations both duties are performed by the same officers.

Outdoor Officers employed upon landing duty are stationed at the sheds or discharging berths of import ships. They superintend the landing of cargoes, paying particular attention to the safe deposit of all dutiable goods in the transit sheds, the keys of which are under their charge. They also assist in the examination of free goods and check all deliveries to prevent the surreptitious removal of any packages that might be illicit, unentered, or unexamined. The safe custody of all dutiable goods, and the delivery of goods in transit, are entrusted to Outdoor Officers employed on this duty.

In connexion with the export department, Outdoor Officers take an account of all bonded and transit goods received for shipment. When these goods have been passed by the Examining Officer, who on this duty is termed a "Searcher," it is the duty of Outdoor Officers to see them duly shipped, and obtain a receipt from the master or mate for each parcel of such goods put on board. All ship's stores delivered from bond in this Port are examined and passed at the ship's side by an Outdoor Officer, and in case of no Examining Officer belonging to the Waterguard Department being able to immediately visit the ship the Outdoor Officer proceeds on board and places the stores under seal in some place of security.

Apart from the examination of goods, nearly all the work in connexion with imports and exports is performed by Outdoor Officers.

On the various dock stations Outdoor Officers are employed as Assistant-Registrars. Their duties in this capacity are purely clerical, and of a rather important nature. They book accounts of all overtime made on the station, keeping the amounts for each individual and each class separate. From these accounts they furnish a Quarterly Return of the overtime earnings of each officer for the purposes of Income-tax assessment. They book all ship's reports, and see that all entries, warrants, and other documents relating to the discharge of vessels are duly sent in and forwarded to the Custom House, besides much similar work of a purely clerical and technical nature. These duties were performed a few years ago by Registrars getting over 300*l.* per annum, and now created 3rd Class Surveyors.

The hours of officers employed on landing duty prior to 8th October last were from 8 a.m. to 4 p.m. from March 1st to October 31st, and from 9 a.m. to 4 p.m. during the four remaining months.

The hours of officers employed exclusively on export duty prior to 8th October last were from 9 a.m. to 5 p.m. in summer, and 9 a.m. to 4 p.m. in winter. On 24th September last an order was issued by the Hon. Board of Customs increasing our hours on these duties by 50 per cent. without any promise of extra remuneration. We beg to draw the attention of your Commission to the annexed Petition on the subject addressed to their Honours; and in accord with its argument and prayer, to submit that Outdoor Officers should not be employed for more than 8 hours per day in summer, and 7 hours per day in winter, without extra remuneration. Memorials.

Warehousing duty. The Outdoor Officers employed on this duty are placed in charge of groups of bonded warehouses. They are responsible for the safe custody and proper delivery of the goods warehoused, the duty value of which generally amounts to many thousands of pounds. Until recently, Outdoor Officers were put in charge of the warehouses where wines and spirits are bottled for exportation, and ship's stores. The duties of officers in such warehouses are very important, as they are held responsible for the proper balance of the accounts of wines and spirits operated upon. They prevent the improper labelling of bottles, see them duly packed in cases, and book all particulars in connection with each operation, These particulars are afterwards copied into the registers and form the basis of the future Customs account. Owing to recent alterations, by which an Outdoor Officer is put in charge of a group of warehouses instead of one only, these bottling operations are now performed under the supervision of "Acting Examining Officers," who are Outdoor Officers receiving one shilling per day extra remuneration for performing the duties of Examining Officers.

The hours of officers on warehousing duty were formerly from 8 a.m. to 4 p.m. in summer, and 9 a.m. to 4 p.m. in winter. A local order was issued a few years ago, extending the hours during the eight summer months to 5 p.m., an extension for which the officers have never yet received any compensation.

Clerical duty. Prior to 1882 the clerical work of this department in connexion with the warehousing and bonding of goods was performed by Lower Division Clerks. Owing to reorganisation in that year the duty was transferred to the Outdoor Department, and of this work Outdoor Officers now perform about one-half. Nearly all the ledgers are kept by them. They prepare for transmission to the Accountant and Controller-General a monthly return of all goods delivered out of bond for home consumption, specifying the amount of duty paid on each class of goods. They also furnish a return of British spirits duty paid out of Customs' warehouses for the information of the Accountant and Controller-General of Inland Revenue. All despatches for bonded goods removed are made out by Outdoor Officers, who also make out receipts for bonded goods received. The particulars of transactions relative to the removal of bonded goods from one warehouse to another are scheduled by Outdoor Officers, and forwarded for the information of the Statistical Department. An account of all goods removed under bond is also kept by Outdoor Officers, who from time to time check and compare all certificates of receipt with the advised quantities, and in case of the non-production of the goods, or of any excessive loss in transit, report the circumstances to their superior officer in order that immediate steps may be taken for the security of the revenue.

Of late another responsibility in connexion with this duty has been imposed upon Outdoor Officers, viz., taking stock in the various bonded vaults. This is one of the most important and responsible duties performed by officers of any grade in the whole Customs service. The particulars of the goods in stock have to be carefully extracted from the registers, and compared with the stock found in the warehouses, and any deficiency noted and reported. The registers and ledgers have then to be balanced, and to perform this duty correctly considerable ability is required.

For such services they receive no extra remuneration, although the work they are now performing is in reality the work of Examining Officers. In short, the tendency in this department at present is to take advantage of the abilities of competitive Outdoor Officers, and place them upon superior duty, alongside of, and doing the same work as, Examining Officers getting from twice to three times as much salary, without granting them any extra remuneration.

We confidently assert that these duties cannot be correctly described as "simple and easily performed;" that they are of great importance and responsibility; and that they are of a superior nature to those nominally allotted to our class when the present rate of salary was assessed.

Memorials.

Increment and classification.

We therefore beg to submit that our salary is not an adequate remuneration for the duties we perform. At the present rate of increment it takes 27 years to reach the maximum, even if no barrier existed by reason of classification. This stoppage for an indefinite period at 80*l.* per annum after 17 years' service is a grievous hardship.

The insufficiency of our salary was admitted by Sir C. Du Cane, Chairman of the Board of Customs, who, in evidence before Mr. Norwood's Committee, in 1881, urged that it should be increased by 10*l.* per annum. We beg reference to the evidence of Mr. Pagden, late Collector of Customs at Bristol, before the same Committee relative to the inadequacy of the pay of Outdoor Officers. On the same occasion Mr. Hunt, late Surveyor-General of Customs, advocated the abolition of classification.

We, therefore, fervently hope that your Commission will be pleased to recommend that our annual increment be increased to 3*l.*, and that classification be abolished.

Promotion.

To us as Outdoor Officers it is of supreme importance that our position with respect to the superior grades should retain those advantages which induced us to enter the service. Within the last few years, however, our prospects of promotion, which when most of us entered this department were fairly satisfactory, have by departmental reorganisations been comparatively ruined.

Assistant examining officers.

Until recently the legitimate line of promotion from the grade of Outdoor Officer was to that of Examining Officer, with a salary of 110*l.* rising to 300*l.* Since 1885, however, an intermediate grade has been created, called Assistant Examining Officer, with a salary of 100*l.* rising to 150*l.* The number of Examining Officerships is being very seriously reduced as this new class is being filled up. The following departmental changes have further seriously damaged our prospects of promotion by reducing the number of superior appointments:—

(1) The transfer of a large number of bonded warehouses from the Customs to the Inland Revenue Department.

(2) The transfer to Outdoor Officers of duties previously performed by Examining Officers.

(3) The constant employment of about 20 per cent. of our staff in a superior capacity.

"Acting" system.

To this last injustice of appointing Outdoor Officers to perform superior duty for lengthened periods, and under the pretence that they are qualifying for promotion to a higher grade, we beg to draw your attention. At this Port about 60 Outdoor Officers are approved for "acting," while about 40 of these have been employed for years constantly in a capacity superior to that of Outdoor Officer.

The gradual reduction in the number of promotions from Outdoor Officer to Second Class Examining Officer may be seen from the following table, which we believe to be approximately correct:—

In the United Kingdom there were in Year—	Promotions.
1883 - - -	70 from O.D.O. to E.O.
1884 - - -	62 ,, ,, ,,
1885 - - -	28 ,, ,, ,,
1886 - - -	29 ,, ,, ,,
1887 - - -	15 ,, ,, ,,
1888 (to October 31st) -	4 ,, ,, ,,

In addition to the above a number of Outdoor Officers have been promoted to the position of Assistant Examining Officer during the years 1886–88, but we beg to point out that the creation of these new appointments is no compensation for the permanent reduction in the number of Examining Officerships.

For all these discouraging curtailments of our reasonable prospects of promotion we have received nothing in the nature of compensation.

We, therefore, suggest as some relief of the present chronic stagnation of promotion—

(1.) That acting as a system be abolished.

(2.) That if, in cases of emergency, Outdoor Officers are required to act in a superior capacity, they be paid two shillings per day extra remuneration.

(3.) That all vacancies for the situation of clerk in this department be reserved for competition among Outdoor Officers.

(4.) That Officers of the Outdoor Department be eligible for promotion to the situations of Collector and Superintendent.

Examinations.

We desire to express our satisfaction with the system by which 50 per cent. of the promotions from this grade to that of Examining Officer are by competitive examination, but would strongly urge that the examinations be limited to departmental subjects, so that undue advantage be not given to officers of short service. In submitting this alteration we beg to express the opinion that the test imposed upon us at entrance is sufficient guarantee of our educational acquirements.

Compulsory retirement.

We hope that your Commission will recommend the advisability of compulsory retirement after 40 years' service, and also the adoption of some scheme whereby the wives and families of officers dying in harness shall receive some allowance proportionate to the length of service and rank of the officer.

Character.

If it be within the scope of your Commission, we beg your consideration of the existing mode of dealing with the characters of Outdoor Officers. Under the present system an officer's character may be seriously injured without his knowledge. We unanimously protest against the practice of preferring charges against an officer without his being made aware of the particulars, and being afforded an opportunity of defence.

We therefore respectfully submit that a system similar to that prevailing in the Inland Revenue Department be adopted. We would also urge that no offence be a bar to promotion for a longer period than two years.

Pension.

With reference to recent proposals as to modification of superannuation terms, we strongly protest against any alteration in the pension scheme under which we entered the service being made applicable to those at present in this department. In conclusion, we beg to recapitulate our proposals as follows:—

(1.) That Outdoor Officers be exempted from boarding duty; that it be performed by a selected staff of naval pensioners; and that a less number of hours of duty per day be required of those appointed to it.

(2.) That Outdoor Officers be not employed for more than 8 hours per day in summer and 7 hours per day in winter without extra remuneration.

(3.) That our increment be increased to 3*l.*, and that classification be abolished.

(4.) That the "acting" system be abolished.

(5.) That all vacancies for clerks in this department be reserved for competition among Outdoor Officers.

(6.) That Officers of the Outdoor Department be eligible for promotion to the situations of Collector and Superintendent.

(7.) That the system by which 50 per cent. of all promotions to the rank of Examining Officer are by competitive examination be continued, but that the examinations be limited to departmental subjects.

(8.) That retirement should be compulsory after 40 years' service.

(9.) That the wives and families of officers dying in harness should receive some allowance proportionate to the rank and service of the officer.

(10.) That the system prevailing in the Inland Revenue with reference to the recording of characters and preferring of charges be adopted; and that no offence be a barrier to promotion for a longer period than two years.

(11.) That no alteration in the pension scheme under which we entered the service be made applicable to those at present in this Department.

We respectfully submit this Statement for the consideration of your Commission, and shall be glad to be favoured with an opportunity of amplifying and supporting it by the evidence of our Representatives.

(Signed)

COMMITTEE { T. J. HUGHES, R. BLAIN, R. F. TOYE, G. W. GLEADHILL, J. H. COOKE, P. J. FURLONG, D. H. PORTLEY, J. E. GEORGE, G. M. SMITH, } Representatives.

Memorials.

HONOURABLE SIRS, Liverpool, October, 1888.

WE, the undersigned Commissioned Officers of H.M. Customs at this Port, having received instructions (a copy of which is annexed) based upon your Honours' Order, No. 21201, dated 24th September, 1888, respectfully request that your Honours will be pleased favourably to consider the following Statement and Petition.

The effect of that Order during the week ended the 13th instant, has been to relieve the shipowners from payment of the sum of 55*l.* (exclusive of the further sum which would have been payable to Glut Outdoor Officers), representing 1,057 hours of service given by Commissioned Officers between the hours six and eight a.m., and between the hours four and six p.m. For this extra service no remuneration has been received.

As the hours of dock labour at this Port are, and have been for many years, from seven a.m. to five p.m., it is obvious that the attendance of Officers will be required during these hours throughout the year, each week of which will demand a number of hours' service at other than the normal hours, not less than the number given during the week ended 13th instant. It may further be stated that the shipowners now frequently require the transit sheds to be opened at six a.m., to prepare for the general work which begins at seven a.m., and to remain open until six p.m. for shipment or delivery—practices which tend to become general, and will considerably increase the average weekly service given by officers at other than the normal hours.

With reference to paragraph five of the annexed instructions, we beg to point out that the proposed "consideration" in time, to be given "at times of less pressure," and conditionally on the "exigencies of the Service," is not always practicable; that it has not been extended to the majority of officers whose attendance has been enforced under these instructions; and that it is inadequate, since leave of absence granted when not specially desired, and during the normal hours of labour, cannot be a just equivalent for service rendered at inconvenient and undesirable hours of the day or night.

As the Liverpool Docks and Customs Stations extend for more than seven miles along the riverside, and suitable residences cannot be found near them, it follows that officers must frequently live at considerable distances from the various stations to which they may from time to time be appointed. Hitherto the travelling and subsistence expenses which are necessarily incurred under such conditions, have been met by the emoluments arising from overtime service; but should these emoluments be substantially reduced, the same expenditure will have to be borne by officers whose salaries in many cases are not adequate to meet a daily outlay of this nature.

We respectfully appeal to your Honourable Board that the relief now granted to the shipowning community be not accompanied by any unremunerated increase or alteration in the hours of labour of the Officers of your Department. Already our normal daily service is longer than that exacted in most other Civil Departments of the Crown Service. This fact, and the stressful nature of our duties, were recognised by the Honourable Commissioners of Customs in 1852 in their report on a petition from the mercantile community, for the extension of the hours in the Outdoor Department of H.M. Customs, which asserts that "there is no class of "Government Officials on whom such arduous duties are "imposed," and again, "an extension (of the hours) "would be the means of inflicting a grievous hardship "on the officers of this Department."—(Third Report of Civil Service Inquiry Commission 1875—page 18). We have also the honour to quote from the reply of the Lords of the Treasury: "My Lords could not expect "to establish any general increase in the hours of attend-"ance, without adding to the present emolument of the "different officers so affected."

We most respectfully state that a general increase has taken place in the hours of service given, without a corresponding increase of emolument, by Landing and Shipping Officers during the week ended 13th instant. We therefore humbly pray that your Honours will be pleased to direct that the normal hours of attendance, viz.:—from eight a.m. to four p.m. in summer, and from nine a.m. to four p.m. in winter, be not altered or extended, and that due payment be made at the authorised rates of overtime, for each hour of service given, or to be given, before or after the hours indicated.

And your Petitioners will ever pray.

To the Honourable Commissioners,
Her Majesty's Customs.

COPY OF INSPECTOR'S ORDER REFERRED TO IN PETITION.

The following Regulations are issued in pursuance of the directions of Board's Order, 24th September 1888, No. $\frac{21201}{1888}$, for giving effect to an Order of the Lords of the Treasury for the extension of the hours during which goods of all kinds may be landed and shipped and free goods may be delivered.

(1.) All goods may be landed on entry or sufferance and entered free goods in packages or otherwise may be examined and delivered between the hours of 6 a.m. and 6 p.m. throughout the year on any day not being a Sunday or Public Holiday without charge to the merchant for officer's attendance.

(2.) All goods may be shipped between the hours of 6 a.m. and 6 p.m. throughout the year, the proper officers attending when necessary within such hours for the examination and shipment of bonded transit or drawback goods without charge to the merchant; but any necessary attendance beyond such hours will be chargeable as heretofore.

(3.) Should the merchant require imported dutiable goods, not being transhipment goods, to be weighed, gauged, or examined before 8 a.m. in summer or 9 a.m. in winter, or after 4 p.m. throughout the year, overtime at the authorised rates will be chargeable to the merchant.

(4.) When unreported or unentered goods are landed on sufferance, either into transit sheds or on the open quays, between the hours of 6 p.m. and 6 a.m., the regulations (*a* to *e*) contained in the Inspector's Order of 18th April 1888, as applicable to "free goods only" will now apply to all goods, except such as may be known to consist chiefly or largely of spirits or tobacco to be landed within these hours, in which latter case the continuous attendance of an examining officer will still be necessary at the merchant's expense.

(5.) Under the Board's Order, as above quoted, the Inspector and Surveyors are authorised to allow any officer whose total daily attendance may be increased, such consideration as the exigencies of the Service at times of less pressure may admit.

These regulations are to take effect on and after the 8th instant.

(Signed) GEO. H. SCRIVENOR,
Custom House, Liverpool Inspector.
2nd October, 1888.

COPY OF RE-ISSUE OF INSPECTOR'S ORDER OF APRIL 18th, 1888.

Overtime Discharge of Free Goods.

(*a*) If at the Merchant's or Master Porter's request the discharge of such goods commences two hours before the legal hour, or is continued not later than 9 p.m., *no extra* visit will be necessary, an ordinary visit being made as near before 6 p.m. as practicable.

(*b*) If such discharge be continued after 9 p.m. or until midnight, or is arranged to commence from midnight, *One* visit to be made by the Examining Officer.

(*c*) If such discharge be continued throughout the whole night *One* visit before, and *One* visit after midnight, to be made at uncertain hours by an Examining Officer.

(*d*) The time allowed for such visits not in any case to exceed three hours, and the Examining Officer making such visits will not only see that the Outdoor officers on duty are sober and attentive, but will also satisfy himself that due precautions are being observed for the protection of the Revenue.

(*e*) The Surveyors will see that these regulations are duly enforced; and will in each case appoint the requisite number of Established *Outdoor Officers to supervise* at Merchant's expense *the landing and safe deposit of the goods*, to watch the same if upon the open quay, or if in an approved Transit Shed, to secure them under Crown lock until examined and passed by the Examining Officer.

(Signed) GEO. H. SCRIVENOR,
Custom House, Inspector.
April 18th, 1888.

Memorials.

STATEMENTS OF THE EXAMINING OFFICERS OF HER MAJESTY'S CUSTOMS IN THE PORT OF LIVERPOOL.

To Sir MATTHEW WHITE RIDLEY, Bart., M.P., Chairman, and the Members of the Royal Commission on Civil Establishments.

1. In accordance with the terms of a Circular Letter $\left(\frac{41}{10 \text{ Decr. } 1886}\right)$. issued by the Honourable Board of Customs, on instructions received from the Royal Commission on Civil Establishments, we beg to submit the following statement of the Examining and Assistant Examining Officers of the port of Liverpool.

Amalgamation of Warehousing Branches of Indoor Department with Outdoor Department.

2. Previous to May 1883, the various duties upon which Examining Officers are now employed pertained to two distinct Departments, viz.:—the Out-door Department, and the warehousing branches of the In-door Department. At that date, however, an amalgamation of these two Departments was effected, and a new classification issued by the Honourable Board of Customs with the approval of the Lords of the Treasury.

Comparison of Classification of 1883 with present Classification.

3. This classification, although unfavourably affecting the members of the above-mentioned Departments as compared with their previous position, was generally accepted as a permanent measure, but during the last four years the superior appointments have been considerably reduced, as the following table will show:—

Rank.	Classification of 1883.				Present Classification.				Reduction.
	Numbers.	Minimum Salary.	Increment.	Maximum Salary.	Numbers.	Minimum Salary.	Increment.	Maximum Salary.	
		£	£ s.	£		£	£ s.	£	
Inspector	1	600	25 0	700	1	600	25 0	700	—
Assistant Inspector	1	560	15 0	590	1	560	15 0	590	—
First Class Surveyors		490	15 0	550	3	490	15 0	550	—
Second " "		420	15 0	480	5	420	15 0	480	1
Third " "	10	350	15 0	410	8	350	15 0	410	2
First Class Examining Officers	43	220	10 0	300	38	220	10 0	300	5
Second " " "	150	110	7 10	220	92	110	7 10	220	58
Assistant " "	—	—	—	—	67	100	3 0	150	—

Delay in filling up vacancies.

It may be remarked that even under the recent classification above shown, there are at present vacancies for:—

1 First Class Surveyor,
1 Second Class ,,
1 Third Class ,,
2 First Class Examining Officers.

This delay in filling up vacancies still further accentuates the grievance caused by reductions.

Decrease of Promotions.

4. The reduction which has thus taken place in the number of superior appointments to which Examining Officers at the Out-ports may hope to obtain promotion is further illustrated by the following comparison:—

—	Year.		Decrease.
	1884-5.	1888-9.	
First Class Surveyors	24	17	7
Second " "	38	33	5
Third " "	66	61	5
First Class Examining Officers	243	226	17

Injurious effects of Reductions.

5. It is submitted that these reductions, involving as they do (1) the adoption to an undue extent of the "Acting" system, (2) the lessening of control, and (3) grave discontent among the Officers whose reasonable prospects of promotion are so injuriously affected, tend seriously to impair the efficiency and security of the Department.

The "Acting" system.

6. The systematic employment of officers, sometimes permanently, often for long periods, in a superior capacity to that for which they are paid, is, we submit, a practice both dangerous to the Department, and injurious to the Officers. It cannot tend to the best interests of the Service that an Officer should frequently be required during part of the year to supervise the Officers amongst whom he works on terms of equality during the remainder. And when it is added that in a large number of cases no extra remuneration, in other cases a most inadequate remuneration, is received by the Acting Officers for the superior duties required from them, the system can hardly be described otherwise than as unjust as well as injudicious.

Overtime remuneration of "Acting" Officers.

7. When an Officer is on duty for the convenience and at the expense of the merchant, he is remunerated by order of the Lords of the Treasury at the overtime rates provided to be paid for the duty which he performs. Thus an "Acting" Surveyor receives the same overtime payment as a Surveyor. It is contended that whenever it is absolutely necessary that "Acting" Officers be employed, the principle thus laid down should be carried to its legitimate issue, and that every Officer required to "act" in a superior capacity to that denoted by his rank, should receive for his services such average payment as would have been made to an Officer of the higher rank.

No. of Acting Officers.

8. The following table shows the number of Officers at this port "acting" in a capacity superior to their rank:—

Rank.	Acting as	Number.	Extra Payment.
First Class Examining Officers.	Surveyors	11	1, 40*l.* per an. 10, nil.
" "	"		
" "	Performing duties of supervision required by Code paras. 81-2, to be performed by Surveyors or Supervisors.	13	Nil.
Out-door Officers	Examining Officer	62	45, 1*s.* per day 17, nil.
Boatmen	"tide duty)." (on	13	11, 1*s.* per day, 2, nil.

Number of Acting Officers receiving no extra pay.

It will be seen from the above table that of the 11 Acting Surveyors only one receives any additional remuneration. The remaining 10, and the 13 Check Officers, together constituting half of the first class of Examining Officers, and many of whom have been employed for a number of years as Acting Surveyors, receive no extra payment whatever for the superior duties performed and heavier responsibilities incurred. The hope that the "Acting" position would be a stepping stone to promotion, has not been, and so long as the number of superior appointments is so inadequate can never be, realised. The above table also shows that there are 75 Out-door Officers and Boatmen acting as Examining Officers, the majority of whom are permanently employed in that capacity. Of these 19 receive no extra payment for their special services.

9. It is submitted that the extensive reductions in the number of superior or staff appointments, and the wholesale employment of Subordinate Officers to act in superior capacities, has rendered the control of the Department inefficient. In support of this position, we venture to institute the following comparison derived from the Revenue Estimates for the current year, between the number of Officers holding superior or staff appointments in the Outdoor Customs and Excise Departments respectively.

Departments.	Total Number of Officers.	Total Salaries.	Superior or Staff Appointments, viz., Inspectorships and Surveyorships of Customs, Inspectorships and Supervisorships of Excise (Collectors excluded).	Per-centage of Officials holding superior or Staff Appointments.	Per-centage of Total Salaries paid to Superior Officers.
		£			
Customs (Outdoor).	3,903	461,450	122	3·1	11·7
Excise - -	3,697	638,576	432	11·7	20·2

10. If the First Class Examining Officers acting in higher capacities be considered to hold superior or staff appointments, the above per-centage (3·1), will be slightly increased; but in any case the number of supervising officers in the Customs is strikingly small as compared with the Excise. The contrast is surely one which ought not to exist, and which calls for grave and immediate consideration; since it can scarcely be maintained that there is a necessity for greater accuracy or stricter control in one Department than in the other. Indeed, it may be here pointed out in illustration of the necessity for inquiry and reform, that one important branch of Warehousing work, the Clerical (common to both departments), which in the Excise is checked in detail by the Supervisor, is in the Customs relegated to the Examining Officers who receive no extra remuneration for supervising that duty. The far higher per-centage of superior or staff appointments in the Excise Department, has the effect of inducing many of the best and most capable of the Out-door Officers to compete for positions in that Department.

11. The comparison which has already been instituted between the Customs and Excise will, if continued in other directions, support the following new scheme of salaries which we now, after grave consideration, respectfully submit in the confident hope that it will be found to be thoroughly adapted to the requirements of the Revenue Service and of the various grades of officers concerned :—

Proposed New Scheme of Salaries.

Rank.	Minimum Salary.	Increment.	Maximum Salary.
	£	£	£
Assistant Surveyors (a new class to be formed from the present First Class Examining Officers).	250	10	350
Examining Officers - -	150	10	250
Assistant Examining Officers -	100	5	150

12. In support of this scheme we respectfully beg that reference may be made to the Statement by the Examining Officers in the port of London (paras. 6–11), addressed to your Honourable Commission, wherein the various duties of an Examining Officer are fully set forth. These multifarious and exacting duties, including clerical work formerly performed by Second Class and First Class Clerks and Lower Division Clerks (of whom a considerable number are now Examining Officers at this port), cannot be considered of a lighter or less responsible nature than those of the Lower Division Clerks or of the officers of Inland Revenue. They require the strictest integrity, the exercise of considerable mental ability and tact, as well as a large amount of physical endurance. We therefore submit that the scheme we have ventured to propose will be found to be fully in accord with the recommendations in respect of Lower Division Clerks contained in the last report of your Honourable Commission, and with the classification contended for by the Officers of Inland Revenue, in their statement to your Honourable Commission, to which also we beg that reference may be made.

Memorials

13. The anomalous position occupied by the First Class Examining Officers, one-half of whom are permanently employed in a superior capacity, has already been pointed out, and it is earnestly hoped that by the adoption of a scheme which will effectually supersede the pernicious "acting" system, while it offers a small compensation for the special services so long and faithfully rendered by this class without recognition, one of the leading causes of discontent throughout the Service, may be permanently removed.

Position of 1st Class Examining Officers. (Proposed new scheme of salaries, continued.)

14. Apart from all other considerations in favour of the above scheme of salaries, we beg to point out that the slight increase proposed in the maximum salary of both classes of Examining Officers is not more than a just equivalent for the serious loss of prospects sustained by them. That this suggestion involves no new principle is manifest from the fact that the Revenue Estimates for 1888–89 shew a provision for "compensation for loss of prospects" in the case of Senior Registrars in the Legacy and Succession Duty Department. The same principle has been admitted in the case of Lieutenants in the Navy; the Navy Estimates for 1888–89 provide for an increase in the pay of those officers, and the memo. issued by the First Lord of the Admiralty observes:—"If the promotion of "Lieutenants is retarded on grounds of public policy, it "seemed only just that after a certain length of service "their pay should be increased."

Compensation for loss of prospects. (Proposed new scheme of salaries continued.)

15. In order (1) to assimilate still further the Departments of Customs and Excise, (2) to carry out the recommendation of the Playfair Commission "that it well "deserves consideration whether the important office of "Collector should not be open to the whole Service, "Out-door as well In-door," and that such a course "would enable the Commissioners of Customs to select "from a large body of experienced officers, the persons "suited for the more important posts"; and since (3) Clerical work is now as much a branch of the Out-door as of the In-door Service, it is respectfully submitted that the positions of Collector and Superintendent should be thrown open to the Out-door Department.

Collectorships and Superintendentships.

16. With regard to the question of hours of labour, we beg to attach a copy of a petition addressed on the 26th ultimo to the Honourable Board of Customs on this subject, and to which no reply has yet been received.

Hours of labour: Petition to Honourable Board of Customs.

17. The Customs Consolidation Act, 1876, section 48, states distinctly that no goods, except diamonds, bullion, and fresh fish, shall be landed except between 8 a.m. and 4 p.m., from the 1st March to the 1st November, and between 9 a.m. and 4 p.m. during the remainder of the year. Although the same section gives the Commissioners of Customs power to alter these hours as they may think fit, its intention is clearly to confine the officers' working hours to 8 in summer and 7 in winter.

C. C. Act, 1876, s. 48.

18. We respectfully submit that the evident intention of this section of the Customs Consolidation Act was set aside by the Commissioners of Customs in the General Order $\frac{10}{1862}$, which permits the discharge of all entered free goods between the hours of 6 a.m. and 6 p.m.; and has been still further violated by the recent Inspectors' order (of which a copy is annexed), issued at this port, which practically extends the free hours of working to 12 per day.

Violation of the intention of the Customs Consolidation Act, 1876, s. 48. G.O. $\frac{10}{1862}$

Inspectors order

19. It has been recently stated in the House of Commons by the Secretary to the Treasury that "the actual work "(at Liverpool and other outports) is not more than can "be performed by the existing staff of officers working on "an average 8 hours a day. If the officers have a "grievance, their grievance is, not that they are going to "work more hours a day for the same remuneration, for "that is not the case, but that they lose the chance of "earning overtime." We respectfully state that since the promulgation of the new order, a large number of officers in this port have been required to work for "more hours a day for the same remuneration," and that up to the 17th instant 5,754 hours extra attendance has already been given by Commissioned Officers, for which no remuneration or compensation whatever has been received.

Statement in House of Commons.

20. We therefore respectfully claim that our grievance is not loss of "the chance of earning overtime," but long and inconvenient hours. We have no desire to work overtime, but we claim that we are justly entitled to extra remuneration if required to work before 8 a.m. or after

Statement of the Secretary to the Treasury controverted.

Memorials. Claim for extra remuneration.

4 p.m. in summer, or before 9 a.m. or after 4 p.m. in winter; and in support of this claim, we respectfully quote the second report of your Honourable Commission (para. 123), wherein the hope is expressed that "steps will "without delay be taken to carry out the recommendation "made in our first Report (para. 31), and repeated in our "present one, that the hours of service in *all* offices for "all classes should be fixed at 7."

Terms offered to Clerks on their acceptance of Examining Officerships not adhered to.

21. It may be pointed out in this connexion that there are at this port 14 Examining Officers who entered the Service as Clerks and who, in accepting the positions they now hold, did so on the most distinct understanding (B.O. 3,505 / 26,283); that they would not be required to work more than 8 hours during the summer and 7 hours during the winter. Indeed, an increase was made to their salaries calculated on the basis of the extra attendance involved by the above hours.

Inordinate hours of labour of the Waterguard.

22. With regard to the Waterguard Duty, which, under the present system, necessitates the continuous attendance of officers for 24 hours, it need scarcely be pointed out that such an abnormal period of service is as detrimental to the interests of the Department and dangerous to the Revenue, as it is injurious to the physical and mental welfare of the officers to whose unenviable lot it may fall to perform this duty. We lay this matter before your Honourable Commission in the confident hope that our hours of labour may be strictly limited to seven, or in some cases eight, as heretofore.

Sunday Duty.

23. On Sunday, 18th November 1888, the following officers were on duty at this port:—

10 Examining Officers.
11 Assistant Examining Officers.
45 Outdoor Officers.
56 Boatmen.

Claim for special remuneration on Sundays and Holidays.

Sunday and holiday attendance, necessary for the security of the Revenue and the protection of the public health, must always involve hardship and inconvenience. It is respectfully submitted, as a general principal, that it should never be exacted except when absolutely necessary; and if exacted, specially remunerated. This reasonable principle, so far from being rigidly adhered to, has been set aside for the benefit of the shipowners, and from motives of economy.

Provisions of C. C. Act 1876, sec. 48, with reference to Sunday and holiday attendance.

24. It is provided by the Customs Consolidation Act, 1876, section 48, that no goods shall be landed or put on shore on Sundays or holidays, except by special permission of the Commissioners of Customs. Under this clause vessels with foreign cattle on board have been allowed to report to the officers when necessary, to discharge the cattle, have their cattle-spaces measured, and undergo Rummage and Clearance on Sundays and holidays. The officers performing these duties were until recently paid by the shipowners at special rates for the services thus rendered on Sundays and holidays. But an Order issued about two years ago relieved the shipowners from payment for this abnormal and highly objectionable attendance given on their behalf. It may be added in support of our claim for special remuneration for Sunday duty, that in the Post Office, perhaps the only other Department in which Sunday attendance is regularly required, the officials receive special remuneration for that Duty.

Concession to shipowners.

Superannuation.

25. "Nothing in this Act shall be construed so as in any "way to interfere with the existing rights at the passing "of this Act of any Civil Servant then holding office." (Superannuation Act, 50 & 51 Vict., Ch. 67 clause 10.)

Pension Fund not Public Money.

26. It is submitted that the Fund from which pensions are derived cannot be justly described as public money. For many years a deduction of five per cent. was made from the salaries of Civil Servants towards a Superannuation Fund. But in 1859 it was found that a sufficient sum had accumulated to provide the necessary pensions without further contributions from Civil Servants. All Civil Servants have understood that in order to enable them to claim superannuation, their salaries have been assessed on a lower scale than would otherwise have been adopted.

Advantages of present system of Superannuation.

27. The advantages of the present system of Superannuation are too numerous to mention; but it may be particularly observed that by its means (1) better and more capable men are attracted to and retained in the Civil Service, (2) faithful service, good conduct, and good discipline are maintained, since reduction or dismissal means loss of pension as well as of salary. It may be added that the object of the present system of Superannuation could not be attained in any other way, since it provides for the Civil Servant from the moment at which he may be disabled as well as in other cases which could not be met by the ordinary methods of Insurance. We therefore respectfully submit that it is to the best interests both of the State and of its servants that a Superannuation allowance be paid as at present to the comparatively few who live to claim it, and that no further deduction from the salaries of the Officials be made in respect of it.

Objections to proposals in Second Report of Royal Commission.

28. With regard to the proposal in the Second Report of your Honourable Commission (para. 93) that every Civil Servant be required to contribute to a fund a sum of money which would be paid over on his decease to his representatives, we beg to point out that this scheme would not effect its purpose for two reasons. First, because no scheme of Life Insurance can be considered successful which does not relieve the insurer, from anxiety, as to the pecuniary position of his family on his decease; but under this scheme, a Civil Servant dying after having contributed only a few pounds to the proposed fund, would leave his family in poverty; whereas the same amount paid into an Insurance Office would secure to them a substantial sum on his decease, and so relieve him of all anxiety on their behalf during his lifetime. Secondly, the proposal would involve great hardship to those who have already made substantial provision for their families in the Customs or other Insurance Funds.

Retirement.

29. We respectfully protest against the retention of officers, chiefly in the higher positions of the Service, to an age much beyond that recommended by the Commission of 1857 as a maximum for active service. As a result of this, important posts are often held by men who are incapacitated by age from occupying them to the public advantage; and, further, legitimate promotion being greatly retarded, the chief stimulus to zeal and industry is kept at a minimum, much to the disadvantage of the Department as a whole. The present system of superannuation was adopted on the Report of the Commission of 1857, and we would submit that the recommendation of that Commission to the effect that superannuation should be general at 60, and compulsory at 65, years of age, should be rigidly adhered to in the Customs Department.

System of promotion.

30. Promotions from the Second to the First Class of Examining Officers are by selection, some regard being paid to seniority; but the officers do not know their positions in their respective classes, the published lists being alphabetical, and it is believed this system offers great facility for favouritism. We have no objection to the characters of the Officers being thoroughly inquired into, but we claim that in no case should a serious charge either as to character or ability be made by a superior Officer against a subordinate, unless an opportunity be afforded to the latter to defend himself, such as is provided by the Excise and Army Regulations.

Travelling expenses.

31. As the Liverpool Docks and Customs Stations extend for more than seven miles along the riverside, and suitable residences cannot be found near them, it follows that Officers must frequently live at considerable distances from the various stations to which they may from time to time be appointed. Were it possible to reside in the Custom House itself, considerable travelling expenses would still have to be incurred in reaching either the North or South Docks. Indeed, messengers travelling along the line of Docks already receive a small travelling allowance, as it would be impossible for them to cover the distances on foot.

Travelling expenses formerly met by overtime payments.

32. Hitherto the travelling and subsistence expenses which are necessarily incurred under such conditions have been met by the emoluments arising from overtime service; but now that these emoluments are substantially reduced, the same expenditure still has to be borne by Officers whose salaries, in many cases, are not adequate to meet a daily outlay of this nature.

Frequent changes of station.

33. Moreover, the system in operation at this port, under which an Officer of many years experience frequently finds the greatest difficulty in getting "minuted" for any station which would be convenient for him to reach from home, and a large number of Officers kept constantly moving from one station to another, is one which, if it be to the advantage of the Service, is unquestionably in the highest degree inconvenient and expensive to the Officers.

Claim for travelling allowance.

34. We therefore respectfully submit that a fair travelling allowance should be made to every Officer stationed at a considerable distance from the Custom House; and in support of this claim we beg to quote from the Third Report of the Playfair Commission, who state "We are clearly of "opinion that no Officer should be out of pocket by "reason of extraordinary expenditure for official pur-"poses."

nary.

35. In conclusion, we beg to submit a summary of the more important representations comprised in the foregoing statement :—

(1.) That the present First Class Examinining Officers form a new class of Assistant Surveyors with a salary of 250*l.*, rising by 10*l.* annually to 350*l.*

(2.) That the salary of Examining Officers be 150*l.*, rising by 10*l.* annually to 250*l.*

(3.) That the salary of Assistant Examining Officers be 100*l.*, rising by 5*l.* annually to 150*l.*

(4.) That no Officer be required to act permanently in a capacity superior to that for which he is paid; but if temporarily required so to act, that he receive additional remuneration according to the duty performed.

(5.) That the Collectorships and Superintendentships of Customs be thrown open to the Outdoor Department.

(6.) That Examining Officers be in no case employed for more than eight hours per day without additional remuneration.

(7.) That Sunday and holiday duty be never exacted except when absolutely necessary; and if exacted specially remunerated.

(8.) That the present system of Superannuation allowances may remain unaltered; and that a compulsory contribution to a new fund be not exacted.

(9.) That retirement be general at 60, and compulsory at 65, years of age.

(10.) That no accusation be made by a superior calculated to injure the prospects of a subordinate Officer, unless an opportunity be given to the latter to defend himself.

(11.) That travelling allowances be made to every Officer stationed at a distance from the Custom House.

36. We respectfully submit this statement for the consideration of your Honourable Commission, and shall be prepared to support and amplify the same by the evidence of our representatives.

THOMAS DARBYSHIRE.
EDWARD LYON.
SAMUEL BOZMAN.
GEORGE TODHUNTER.
JNO. EGAN.
R. FLINT.
J. STRICKLAND.
J. W. WOLLEURY.
JNO. THOS. MOORE,
Secretary.
} Committee.

To The HONOURABLE COMMISSIONERS,
HER MAJESTY'S CUSTOMS.

Liverpool October 26th 1888.

HONOURABLE SIRS,

WE, the undersigned Commissioned Officers of H.M. Customs at this port, having received instructions (a copy of which is annexed), based upon your Honours' Order, No. 21,201, dated 24th September 1888, respectfully request that your Honours will be pleased favourably to consider the following Statement and Petition.

The effect of that Order during the week ended the 13th instant, has been to relieve the shipowners from payment of the sum of 55*l.* (exclusive of the further sum which would have been payable to Glut Out-door Officers), representing 1,057 hours of service given by Commissioned Officers between the hours six and eight a.m., and between the hours four and six p.m. For this extra service no remuneration has been received.

As the hours of dock labour at this port are, and have been for many years, from seven a.m. to five p.m., it is obvious that the attendance of Officers will be required during these hours throughout the year, each week of which will demand a number of hours' service at other than the normal hours, not less than the number given during the week ended 13th instant. It may further be stated that the shipowners now frequently require the transit sheds to be opened at six a.m., to prepare for the general work which begins at seven a.m., and to remain open until six p.m. for shipment or delivery—practices which tend to become general, and will considerably increase the average weekly service given by Officers at other than the normal hours.

With reference to paragraph five of the annexed instructions, we beg to point out that the proposed "consideration" in time, to be given "at times of less pressure," and conditionally on the "exigencies of the Service," is not always practicable; that it has not been extended to the majority of Officers whose attendance has been enforced under these instructions; and that it is inadequate, since leave of absence granted when not specially desired, and during the normal hours of labour, cannot be a just equivalent for service rendered at inconvenient and undesirable hours of the day or night. Memorials.

As the Liverpool Docks and Customs Stations extend for more than seven miles along the riverside, and suitable residences cannot be found near them, it follows that Officers must frequently live at considerable distances from the various stations to which they may from time to time be appointed. Hitherto the travelling and subsistence expenses which are necessarily incurred under such conditions, have been met by the emoluments arising from overtime service; but should these emoluments be substantially reduced, the same expenditure will have to be borne by Officers whose salaries in many cases, are not adequate to meet a daily outlay of this nature

We respectfully appeal to your Honourable Board that the relief now granted to the shipowning community be not accompanied by any unremunerated increase or alteration in the hours of labour of the Officers of your Department. Already our normal daily service is longer than that exacted in most other Civil Departments of the Crown Service. This fact, and the stressful nature of our duties, were recognised by the Honourable Commissioners of Customs in 1852 in their report on a petition from the mercantile community, for the extension of the hours in the Out-door Department of H.M. Customs, which asserts that "there "is no class of Government Officials of the same standing "on whom such arduous duties are imposed," and again, "an extension (of the hours) would be the means of inflicting a grievious hardship on the Officers of this Department." (Appendix to Third Report of Civil Service Inquiry Commission 1875, page 18). We have also the honour to quote from the reply of the Lords of the Treasury: "My Lords could not expect to establish any general "increase in the hours of attendance, without adding "to the present emolument of the different Officers so "affected."

We most respectfully state that a general increase has taken place in the hours of service given, without a corresponding increase of emolument, by Landing and Shipping Officers during the week ended 13th instant. We therefore humbly pray that your Honours will be pleased to direct that the normal hours of attendance, viz:—from eight a.m. to four p.m. in summer, and from nine a.m. to four p.m. in winter, be not altered or extended, and that due payment be made at the authorised rates of overtime for each hour of service given, or to be given, before or after the hours indicated,

We are, Honourable Sirs,
Your obedient servants
Signed by 414 Officers.

Inspectors' Order.

The following regulations are issued in pursuance of the directions of B.O. $\frac{21,201}{24.9.88}$, for giving effect to an Order of the Lords of the Treasury for the extension of the hours during which goods of all kinds may be landed and shipped, and free goods may be delivered:

1. All goods may be landed on entry or sufferance, and entered free goods in packages or otherwise may be examined and delivered between the hours six a.m. and six p.m. throughout the year on any day, not being a Sunday or a Public Holiday, without charge to the merchant for Officers' attendance.

2. All goods may be shipped between the hours of six a.m. and six p.m. throughout the year, the proper Officers attending when necessary within such hours for the examination and shipment of bonded, transit, or drawback goods, without charge to the merchant; but any necessary attendance beyond such hours will be chargeable as heretofore.

3. Should the merchant require imported dutiable goods, not being transhipment goods, to be weighed, gauged, or examined before eight a.m. in summer or nine a.m. in winter, or after four p.m. throughout the year, overtime at the authorised rates will be chargeable to the merchant.

4. When unreported or unentered goods are landed on sufferance either into transit sheds or on the open quays between the hours of six p.m. and six a.m., the regulations (*a* to *e*) contained in the Inspectors' Order of the 18th April

Memorials.

1888 as applicable to "free goods only," will now apply to *all goods*, except such as may be known to consist chiefly or largely of Spirits or Tobacco, to be landed within these hours, in which latter case the continuous attendance of an Examining Officer will still be necessary at the merchant's expense.

5. Under the Board's Order as above quoted, the Inspectors and Surveyors are authorised to allow any officers whose total daily attendance may be increased, such consideration as the exigencies of the Service at times of less pressure may permit. These regulations are to take effect on and after the eighth instant.

(Signed) G. H. SCRIVENOR,
Inspector's Office, Inspector.
2nd October 1888.

Regulations *a*, *e*, having reference to free goods

(*a*.) If at the Merchant's or Master Porter's request the discharge of such goods commences two hours before the legal hour, or is continued not later than nine p.m., no extra visit will be necessary, an ordinary visit being made as near before six p.m. as practicable.

(*b*.) If such discharge be continued after nine p.m. or until midnight, or is arranged to commence from midnight, *one* visit to be made by the Examining Officer.

(*c*.) If such discharge be continued throughout the whole night, *one* visit before and *one* visit after midnigh to be made at uncertain hours by an Examining Officer.

(*d*.) The time allowed for such visits not in any case to exceed three hours, and the Examining Officer making such visits will not only see that the Out-door Officers on duty are sober and attentive, but will also satisfy himself that due precautions are being observed for the protection of the Revenue.

(*e*.) The Surveyors will see that these regulations are duly enforced, and will in each case appoint the requisite number of Established Out-door Officers to supervise, at merchant's expense, the landing and safe deposit of the goods; to watch the same if on the open quay; or if in an approved transit shed to secure them under Crown lock until examined and passed by the Examining Officer.

imported in bags, or such other packages as can be examined by spitting. (18th April 1888.)

STATEMENT OF THE EXAMINING OFFICERS OF HER MAJESTY'S CUSTOMS AT THE OUTPORTS.

To the SECRETARY, CIVIL SERVICE INQUIRY COMMISSION.

SIR,

THE Examining Officers of Her Majesty's Customs at the Outports desire most respectfully to lay before the Commissioners, as briefly as possible, the points on which they are anxious that evidence shall be received. We, signing on behalf of the whole body have drawn up, as under, those matters which involve concessions which we believe to be just and reasonable, and the granting of which would be beneficial both to the service and those employed in it.

We therefore submit,

1. That a considerable and altogether unexpected loss has been entailed in consequence of recent reductions in the number of superior appointments, and because of the concessions which have been made to shipping interests occasioning a most considerable diminution in the emoluments derived from Extra Attendance. This Extra Attendance has always been looked upon as part of the income obtainable by Examining Officers, on behalf of whom we attach hereto copies, with remarks, of the General Orders dealing with the matter. The following gives as nearly as possible the classifications as existing in the years 1884 and 1888.

See Appendix.

	1884.			1888.		
	London.	Liverpool.	Outports.	London.	Liverpool.	Outports.
Surveyors, 1st Class - -	15	3	6	10	3	4
„ 2nd „ - -	20	6	12	17	4	12
„ 3rd „ - -	40	10	16	33	8	19
Examining Officers, 1st Class	120	43	80	120	38	74

Whilst the Examining Officers do not presume to question the right of the Lords of the Treasury and of the Commissioners of Customs to effect these changes, they feel that, in consequence of them and for other reasons as presently stated, they are justified in praying for a recommendation for a revision of salaries as under:—

Rank.	Revised Salary.	Reasons.
Examining Officer, 2nd Class.	110*l*., increasing annually by 7*l*. 10*s*. for eight years, and then by 10*l*. annually to a maximum of 250*l*.	250*l*. is the maximum of a Lower Division Clerk in a 7-hours office. Besides the longer attendance given, the duties of an Examining Officer require judgment and great discretion, and are in every way more important and responsible than those of a Lower Division Clerk. The Examining Officer also provides a uniform.
Examining Officer, 1st Class.	260*l*., with an annual increment of 10*l*. to a maximum of 350*l*.	The Lower Division Clerk is able by means of Duty Pay to obtain 350*l*. Until the year 1880 the maximum of Customs 1st Class Clerks was 300*l*., the same as the then and present maximum of the 1st Class Examining Officer. In 1880 the maximum of the 1st Class Clerk, whose duties were certainly not more responsible than those of the 1st Class Examining Officer, was raised to 400*l*., reached by annual increments of 15*l*. Since that date the great warehousing system, with its accounts, has been taken from the Clerks and given to the Out-door Branch, and the duties and responsibilities have been consequently increased. The 1st Class Examining Officer provides uniform.
Surveyorships to be of two Classes.		
Surveyor, 2nd Class	360*l*., with an annual increment of 15*l*. to a maximum of 420*l*.	420*l*. and 550*l*. are at present the London and Liverpool maxima for the present 3rd and 1st Classes respectively.
Surveyor, 1st Class	430*l*., with annual increments of 20*l*. to 550*l*.	Surveyors duties are certainly as important and responsible as those of Principal and Duty Pay 1st Class Clerks. On Surveyors rest the whole responsibility as to the efficiency of the Out-door Staff. The attendance given is much longer than what is required from Clerks, and considering this, the cost of uniform, and the greater "wear and tear," the difference in maximum sought is not unreasonable. It is more especially on the Surveyorships that the loss of emoluments has fallen.

2. That the non-filling up of vacancies as they occur is a source of anxiety and worry to officers expecting promotion.

3. That the continuous employment of officers on work of supervision, properly pertaining to a higher rank than that of the officer performing the work, without extra remuneration in the form of Duty Pay, is not desirable nor judicious.

4. That it should be officially made known that as there is no difference in the requirements of the service, promotion should be general throughout the United Kingdom, London and Liverpool included The accompanying copy of General Order 95–1876 foreshadows such a system.

See Appendix.

5. That Examining Officers should not in any case be employed for more than eight hours per diem without additional remuneration.

6. That as the transfer of the warehousing accounts with the great resposibilities attached thereto, and the carrying out of the Merchandise Marks Act Regulations, have now without a doubt made the outdoor duties the most onerous in the service, the officers continually having to

exercise the utmost discretion, it is clear that the changes alluded to in Treasury Minute contained in General Order 95–1876, copy herewith, ought now to take place, and the collectorships and superintendencies should be thrown open to *all the Service*, promotion to the ranks of the 1st Class Examining Officer and Surveyor not being a bar to future selection for the higher ranks in the Collectorate. The changes herein sought were brought prominently before the Treasury and the public in the Third Report, dated 23rd June 1875, of the last Civil Service Inquiry Commission in these words, "We think, for instance, that it well "deserves consideration whether the important office of "Collector should not be opened to the whole Service "outdoor as well as indoor." The late respected Chairman of the Customs, F. Goulburn, Esq., C.B., in answers to questions Nos. 7289–94 as contained in the said Report, copies attached hereto, dealt with the matter, but was guided by circumstances altogether different from those that now exist. The transfer of the warehousing accounts and all responsibility as to the correctness of the revenue received have destroyed the effect of answer to 7289, and the answer to 7292 gives the admission that the knowledge acquired by the Outdoor Branch would be of some advantage in the Collectorate, whilst the fact that the members of the same have thoroughly mastered the details of the great warehousing system shows Mr. Goulburn's evidence as relates to their fitness or unfitness to be of no weight now. The answers to questions 7293–4 are not now applicable, as those who have successfully coped with the intricacies of the warehousing accounts could easily overcome the difficulties of the Collectorate and superintendencies. Although there is much work to be done for other Departments the regulations for the efficient performance of the duties are so clearly laid down that all that is needed is the application of a little discretion and common sense. A knowledge of much of the duties other than those properly Customs is already required in the Examining Officer. As answer to question 7,290 shows, the greater part of the collectorships carry the *joint offices* of collector and surveyor, and all the superintendencies though not in name yet *in actual fact* embody the duties of the Examining Officer. It is therefore manifestly unwise that the Outdoor Department should be excluded. Prior to the abolition of the old controllerships, which were the line to the collectorate, and the second positions at the ports, selections were made from the old landing waiters and the principal coast officers, members of the Out-door Department.

7. That, as a steady flow of promotion incites zeal and interest, and can only be ensured by regulated retirement, it is desirable that superannuation should be compulsory in all cases at 65 years of age, and if found to be in the interests of the Service at any time between 60 and 65.

8. That, as pensions must be described either as deferred pay or reward for services performed, it is only just and reasonable that widows should, with fair limitations, be entitled to a portion of the same, in like proportion as conceded to the widows of officers of the Army and Navy, and it is considered desirable that the Superannuation Act of 1859 should be amended so as to meet the case.

We have the honour to remain,
Your most obedient servants,
GEO. S. O'LOUGHLIN,
Examining Officer, 2nd Class, Limerick.
And 14 others.

APPENDIX.

ABSTRACT of GENERAL ORDERS of CUSTOMS, Nos. 41–1882, 23–1887, and 30–1887.

"When goods are landed into a shed, either before or "after legal hours, but not delivered, the attendance of a "Surveyor be dispensed with, unless the discharge be "continued during the whole night, in which latter event "two Surveyors' visits only are to be made, viz.:—One "before and one after midnight." The attendance of a Surveyor is not to be rendered in future when free goods in bulk only are being discharged in or out of legal hours. In cases where packages of free goods are examined and delivered before or after legal hours the continuous attendance of Surveyors is despensed with, and if the examination and delivery of the goods do not continue throughout the whole night, the visits to be at the rate of three or four per week and if such overtime is not frequent, one visit on each occasion is to be made. In cases of examination and delivery throughout the night, two visits only are to be made one before and one after midnight.

GENERAL ORDER, 23–1886.

Memorials.

These orders have caused some loss to both Examining officers and Surveyors.

All free goods which have been duly reported, and for which perfect entries have been passed, may be taken out of the importing vessel, and be examined and delivered from 6 a.m. to 6 p.m. from 1st March to 31st October, and from 8 a.m. to 4 p.m. during the remainder of the year, without any charge being made to the merchants for extra attendance, whether there are goods liable to duty on board or not, proper care being taken that the Revenue is duly protected.

CIRCULAR LETTER, 44–1885.

The Board direct that, whenever application is made for the clearance, out of official hours, of a vessel which has discharged her cargo under the provisions of General Order 75–1872, the expenses for the attendance of officers to give such clearance be borne by the merchant or shipowner, unless the cargo is all discharged and the ship ready for clearance at the time when, in the regular execution of his duty, a Waterguard Examining Officer may make his periodical visit. In that case, clearance, if requested, is to be granted without charge,

There are other General Orders, &c., all tending to curtail the extra attendance.

EVIDENCE BY MR. GOULBURN.

EXTRACTS from THIRD REPORT of the 1875 INQUIRY COMMISSION.

Proposition 6.

7289. Have you found a strong necessity for making a partition line between the two?—The indoor establishment is completely distinct from the outdoor establishment, and I do not think that it would be possible in any way to combine them, the indoor department being engaged almost entirely in matters connected with the collection of the revenue and the keeping of the books, and the majority of the outdoor department in the conduct of the business which has to be superintended by the officers who have to perform all the operations at the waterside and in the warehouses, with which the clerks would be totally unfamiliar and unacquainted.

The Outdoor Branch now deals with receipts of duty from passengers, &c., and keeps all warehouse books and forms.

7290. The Collector at the head of an outport. I suppose, would require to know the nature of the work both indoor and outdoor?—Yes, and at the small outports he combines *both branches*. When he passes to a higher outport there is a separate Officer to perform the outdoor work.

7291. Taking a Collector whose office extends over a large area, is it, in your opinion, quite necessary to maintain a separate staff to do the work which has to be done by the Collector and his Clerks?—I think that as long as there is so much work which must necessarily be performed, not merely for the Customs, but for so many other departments in the outports, it will afford ample occupation for all the Officers who are engaged upon it. There is the *great warehousing system* which involves the keeping of a number of books. This work is performed by the Clerks, and the Officers who are engaged on the quays, at the docks, and at the water side, could never spare the time for these other duties. They would perform them in the most perfunctory manner if they tried to perform both duties.

Now transferred to the outdoor department, and experience has proved that all difficulties in such book keeping can be overcome by the officers of the outdoor department.

7292. But would that apply to Officers in the Out-door Department qualifying themselves to be Collectors?—The knowledge acquired by an Officer of the Out-door Department would be of *some advantage* if he became a Collector, but I do not think that he would understand the In-door Department and the business connected with the books; he would not take to it readily. Considering that all the Examining Officers are now selected from the Out-door Officers, we should not have a sufficient number of perfectly eligible men to raise to be Collectors.

The officers' duties are now practical and clerical.

7293. "Relates to Out-door Officers being selected for Principal Coast Officerships, and the best of the Officers from the latter being further promoted to be Superintendents."

These answers are now not applicable in any way.

7294. Then, generally, it is your opinion that the training of the Out-door Officers is not such as to fit them for the duty of Collector?—No, I think not.

EXTRACT from TREASURY LETTER, 13th October 1876, GENERAL ORDER, 95–1876.

"You do not notice in your Report the *important suggestion* of the Commissioners to throw open the office of Collector to the *whole of the out-door service*. On this point, my Lords, notice the answers of your Chairman, 7294, 7356.* My Lords, however, do not desire to press

The answers are not now applicable.

* This second part is 7356, *i.e.* the substance of answer. The whole of the warehousing accounts now transferred, and clerks at the middle and larger ports have very little knowledge of the work in connexion therewith. These clerks have no experience of outdoor work.

Memorials.

Proposition 4. This principle should also be extended to the surveyorships, the salaries attached to which should be equalized.

changes of this kind upon you faster than you yourselves see reason to adopt them.

"The present system whereby the Collectorships are, in fact, filled up from Second Class Clerks, is stated to secure a sufficient amount of Out-door experience, and to give you the kind of men you require."

EXTRACT from TREASURY LETTER, 13th October 1876, GENERAL ORDER 95–1876.

"My Lords agree that, as a general rule *promotion should be general* . . . . . My Lords are of opinion that, while the existing practice of general promotion from grade to grade should not be interfered with, something more in the same direction may be effected not only by the adoption of your proposal to fill up vacancies in the first class of Examining Officers in London and Liverpool by the promotion of Second Class Officers from other ports, whenever you think it advisable, and by selecting generally for the first class at any port, from the whole body of the Second Class Examining Officers, — but also by extending the system of departmental examination."

STATEMENT OF THE ASSISTANT EXAMINING OFFICERS OF H. M. CUSTOMS.

To Sir Matthew White Ridley, Bart., M.P., Chairman, and the Members of the Royal Commission on Civil Establishments.

The class of assistant examining officers was formed from out-door officers of good conduct, ability, length of service, and who had qualified themselves by years of approved service as acting examining officers for the position of examining officers, to which rank they not only aspired, but were given to understand, should receive one half the vacancies in the latter class, the other half being reserved for competitors.

By circular letter $\frac{39}{1885}$, establishing the class of assistant examining officers, the nature of duties to be performed, salary for such office, and bond required were therein specified.

Recent general orders $\frac{54}{1887}$ and $\frac{90}{1888}$ have, however, so extended our duties as to be almost identical with those of examining officers, promotion to which class all of us looked forward to at no distant date; yet no additional remuneration has been made for the increased responsibilities imposed.

By the creation of the assistant examining officers' class, and a corresponding reduction of the examining officers, our promotion to that class appears to be indefinitely deferred.

At present it is a matter of daily recurrence that an examining officer, and an assistant examining officer are working together at the various offices, warehouses, and wharves, and while the latter is not only capable, *see* Circular Letter $\frac{38}{1886}$, but actually discharging the same duties, he has a much smaller salary, and yet in many instances much longer service than the former. It need not be pointed out how fatal such a humiliating position must be to the spirit of zeal amongst the assistants, especially, when they feel that this is due to rather than want of merit or ability.

We therefore submit that we receive the same consideration as to annual increments, and maximum salary as your Royal Commission have recommended in the case of the lower division clerks, namely 7*l.* 10*s.* per annum to maximum of 180*l.*, also that promotion to the grade of examining officer be made, half from the assistant chance, class, and half from competition.

Signed on behalf of the assistant examining officers throughout the United Kingdom.

J. F. HAWKESWORTH, London.
C. E. VAUX, Belfast.

18th February 1889.

STATEMENT OF THE EXTRA OUT-DOOR OFFICERS IN HER MAJESTY'S CUSTOMS.

Custom House,
April 30th, 1888.

HONOURABLE SIRS,

THE extra Out-door Officers employed in Her Majesty's Customs beg most respectfully the permission to lay before your Honours a statement showing our position in the Service, the unsatisfactory nature of which constitutes grievances which are keenly felt by us.

The duties of the extra Out-door Officers are of three distinct kinds, viz.:—Land duty, water-guard duty, and messenger duty.

The Officers employed on land duty are by far the largest portion of the extra staff, and their duties are of an arduous, responsible, and varied character, such as:—sampling wines and spirits, tallying ships' cargoes, the custody of goods in transit from one bonded warehouse to another, and the charge of bonded floors in warehouses, duties analogous to those of Established Officers.

The rate of pay to this class of extra Officers is 3*s.* per day when employed.

Most of these Officers have constant employment, but those who are not so fortunate must attend at the Custom House every morning, and remain in attendance in case they should be required for duty. In the event of their not being required they are not paid anything, although having remained all day in attendance.

No holidays are allowed, and on the occasion of Bank Holidays, and public festivals, their pay is stopped. They also lose their pay if sick.

They have no prospects of promotion, or opportunities of bettering their position, no matter how many their years of service may be, or how praiseworthy their conduct.

The pay of these extra Officers is far below that given to the extra staff in other Departments of the Civil Service, and they have none of the privileges which are allowed the latter class.

The majority of these extra Officers on land duty are young, active, and intelligent men, dependent on the small salary they receive from the Customs to keep themselves, and in many cases a wife and family.

The extra Officers acting as Messengers receive an additional 6*d.* per day when employed, by virtue of their having performed such duty continuously for over five years.

The Water-guard Staff of extra Officers is almost entirely composed of pensioners from the Army and Navy. They receive 3*s.* 6*d.* and 4*s.* per day when employed.

It will be observed that the extra Officers employed on land duty receive less salary than those Officers who are employed on the river, or as Messengers, although in many cases the duties of the former class of Officers are of a more important and responsible nature than those which are performed by the other two classes of Officers.

The Boy Messengers who were introduced into the Customs about four years ago (although not on the Establishment) are allowed an annual leave of 12 days, all Bank Holidays are paid when sick, have uniforms provided them, and receive a rising scale of salary.

If similar privileges to the above could be extended to the extra Out-door Officers, with an opportunity given of promotion to the Establishment, it would be a great boon to the large staff of extra Officers employed in the Customs' Service, who perform their duties with satisfaction, and are a source of economy to the Crown.

Should our attendance before the Royal Commission be required we would be most ready to give evidence regarding our position.

We have the honour to be,
Your Honours' most obedient servants,

EDWARD F. BAKER,
JOSEPH THOMAS POOLE,
EDMUND JAMES AUNING,
THOMAS GEORGE BARNES,
GEORGE YEOWELL.
} Extra Out-door Officers.

STATEMENT OF SURVEYORS OF CUSTOMS IN THE PORT OF LONDON

Her Majesty's Customs, London,
27th March 1889.

My Lords and Gentlemen,

We, the surveyors of the out-door department of the Customs in London, desire respectfully to draw your attention to the position in which we are placed at the present time in consequence of the great and continuous reduction in the numbers of our higher appointments.

In the year 1882 the old warehousing departments were abolished, and a new system was introduced by which the work connected with the warehousing accounts was transferred to the out-door department. This change involved the abolition of many valuable appointments, including three controllerships, with salaries rising from 700*l.* to 800*l.* per annum, 12 principal clerkships, with salaries rising from 520*l.* to 620*l.*, and a large number of upper division clerkships, with a maximum salary of 400*l.*, many of them having in addition duty pay attached in amounts varying from 25*l.* to 100*l.* per annum. In lieu of these positions others were created in the out-door department, for the most part much inferior in emolument. The new classification, which had been framed after careful consideration, was sanctioned by the Treasury and was accepted by all sections of the re-constituted out-door department as the scheme which was to govern their prospects in the service. Not the slightest doubt was ever felt by us or expressed by any person in authority as to the full benefits of that classification being given to us. On the contrary, as the portions of the work allotted under the new system to the higher officials proved to be even heavier than had been anticipated, an increase in their numbers might reasonably have been expected.

We have found, however, to our dismay, that as vacancies have occurred on the three classes of surveyors they have mostly been left unfilled, whilst a large proportion of the surveyors' work is relegated to first class examining officers, who perform it without extra remuneration, and see themselves at the same time deprived of the promotion they were led to expect.

The following table shows (1) the surveyorships of the three classes in June 1882 and (2) the surveyorships provided for in the Revenue Estimates for the year 1889–90 :—

—	Surveyors in June 1882.	Surveyors as per Estimates, 1889–90.
1st Class - - - - -	15	7
2nd „ - - - - -	20	16
3rd „ - - - - -	40	30
Total - -	75	53

It will be seen that in the course of seven years the numbers have been reduced by 22, or from 75 in 1882 to 53 in 1889. Every person, therefore, in our out-door department below the rank of a first class surveyor has thus been deprived, to the extent indicated, either of actual promotion or of vacancies which would have brought him nearer to it, and the sense of injury and the feeling of alarm are in consequence universal.

We have some reason to suppose that these reductions have been made mainly in consequence of statements which have been put forth on behalf of members of the Excise Department representing their rate of pay as inferior to ours. That this is by no means the case can be easily shown by the accompanying table, which consists of extracts from the revenue estimates for the current year, and which conclusively proves by the fairest of all tests, namely, by a comparison of the whole of the positions open to each of the two services and the sums voted by Parliament for their remuneration, that the Customs out-door service is, on the average, very much worse paid than that of the Excise.

The comparisons instituted by Excise officers between their service and ours have been quite fallacious, since they have compared the wrong classes of officers. They have, for instance, compared assistants of Excise with our examining officers, whereas the comparison ought properly to be made between their assistants and our much worse paid out-door officers, whose duties are quite as important and certainly far more laborious than those of assistants of Excise. Again, they have compared supervisors of Excise with surveyors of Customs, a comparison which the superior duties of the latter and their, for the most part, wholly different nature render altogether unfair, to say nothing of the fact that a surveyorship of Customs is usually attained much later in life and after a much longer service than a supervisorship of Inland Revenue. There are 409 supervisors of Inland Revenue, with 3,078 officers under them, being more than one supervisor to eight officers, whilst there are in London 53 surveyors of Customs, having 1,259 established officers and about 500 extra and glut officers to control, a proportion of only one surveyor to 33 officers. This disproportion alone would be sufficient to prove that there must be great differences in the nature of the work performed by the two classes. And it must not be overlooked that are 116 valuable positions above the rank of supervisor actually held by those who have risen from the junior ranks of the Excise Department or open to their out-door officers, whilst in the whole of the kingdom there are only 11 posts above that of surveyor to which members of the Customs out-door department can aspire. The valuable collectorships of Inland Revenue —more valuable on the average and much more numerous than the collectorships of Customs—are exclusively open to the out-door branch of the Excise. Officers of Customs in the out-door department have not hitherto, except in one instance, been permitted to rise to collectorships, and a surveyorship is practically the highest situation which the ablest man can hope to attain.

On a reference being made to the table of extracts from the estimates, the average pay per man in the Excise Department will be found to be 43*l.* higher than the average for the Customs out-door service, even when our watermen and boatmen are excluded from the comparison, and if they are included the difference rises to 60*l.* per annum.

If the positions in our department are still further depreciated in average value, the effect upon the quality of the candidates offering themselves for the Customs must be disastrous, for the better class of men will either seek situations in other branches of the Government service, or turn elsewhere for occupation.

As regards the per-centage cost of collecting the two revenues, the following remarks may not be out of place :—

1. The Excise revenue mainly comes from spirits, where the duty is high, and beer, where the assessments take place in large quantities at a time, whilst the charging and delivery of Customs dutiable goods involves a far greater number of distinct transactions. If each assistant and officer of Excise really performed work exactly analogous to that of one of our examining officers in a warehouse, and disposed of an equal number of transactions, there could not possibly be work for so large a number of Inland Revenue officers as are now employed.

2. The lowering of many Customs duties has naturally tended to raise the cost of collection to a higher per-centage than may at one time have been required. There is, for example, just the same amount of care and labour expended in collecting the duty on each pound of tea at 6*d.*, as was required to collect it when the duty was four times as great. A similar remark may be made concerning coffee, claret, champagne, &c.

3. But it would be wrong to suppose that the sole duty of Customs officers consists in assessing or collecting revenue. The examination of all free goods entering the country, questions connected with British trade marks and copyright, with the administration—a most difficult and complicated task—of the recently-passed Merchandise Marks Act, with the importation of dynamite and other explosives, with the provisions of the Foreign Enlistments Act as affecting vessels, with the prevention of smuggling, with the landing of cattle and rags which might introduce disease, with quarantine regulations and the provisions of the Public Health Acts, with the inspection and approval of tea upon importation, with the statistics of imports and exports, and with other matters important to the community, but not connected with the collection of revenue, occupy our time and attention nearly as much as the examination of dutiable articles.

4. With regard also to goods liable to Customs duties, the ships containing them may arrive at any moment, and the cargo may be of any description. The places where British spirits and beer are manufactured are fixed and known, hence they can be easily kept under supervision. Ships which are in port to-day and gone to-morrow are far more difficult to deal with.

5. The Customs Department has to bear the burden of protecting the Excise revenue by superintending and assuming the responsibility for the safe exportation of goods liable to duties of Excise, and preventing the illegitimate importation of spirits and other articles, which, if allowed to enter the country freely, would practically

Memorials.

destroy the Excise revenue. Indeed, if all Customs duties were abolished the Inland Revenue Department would at once have to create a very large staff of officers to perform services which are now thrown upon Customs officers, the expenditure being charged to the Customs Department.

Without entering into an elaborate comparison between all the kinds of work performed in the two departments, we venture to make a few observations. The nature and responsibility of our landing and examining work make it so wholly different from anything to be found in the Excise that comparison is out of the question. Our gauging, again, is a highly technical operation, where skill and judgment are imperatively required, since fraud or error, very hard to detect, would lead to disputes between the Customs officials and merchants, and possibly cause serious loss to the Revenue.

In the Excise Department there is no such duty. It is a comparatively mechanical matter to weigh an empty cask, fill it with spirits, re-weigh it, and arrive at the quantity by consulting a printed table. However accurate this cause may be, it would be impossible of adoption in the Customs. Spirits and wines cannot be turned out of the casks in which they are imported without most serious injury and loss to the mercantile community.

There is another feature of our duties specially distinct. Imported goods have frequently about them some amount of uncertainty as to character, and in a great many instances averages for tares have to be taken, the ascertaining of actual weights being too troublesome and expensive. In all these cases the decisions arrived at by the surveyors are of the utmost commercial importance, the goods being bought and sold on their quantities.

The only work in the Customs at all similar to that in the Excise is that connected with deliveries from a warehouse. But this does not form a large proportion of our work; and if it did, there are many circumstances to be remembered to enable a fair judgment to be formed upon the comparative importance of the warehouse work in the two departments. Our warehouses are usually very much larger than Excise warehouses, and contain a much greater variety of goods, and our transactions are infinitely more numerous than theirs.

A grievance to which we feel compelled to draw the attention of the Royal Commission is the fact that large numbers of our officers have continuously for years to perform duties assigned to officers of a rank higher than that to which they belong, generally receiving no additional remuneration for their greater responsibility. The out-door officer is required to act as an examining officer, receiving only a trivial allowance of 2*d.* an hour for doing so. The examining officer is called upon to do the work of a surveyor, and a surveyor that of an inspector, each being paid the salary of the lower rank, without any allowance of duty pay, and in the existing state of things, having but a slight prospect of promotion to the rank whose duties he is considered qualified to perform.

The circumstance above mentioned is also a plain proof that the officials of the higher ranks fixed by the classification of June 1882 were not too numerous in our department.

We may mention another fact that is worth noting. In the Gravesend Station there are about 200 officers with only one person of the actual rank of surveyor now between them and the inspector of the waterguard for the River Thames and the port of London; and, in fact, until quite recently this post was filled only by an examining officer acting as surveyor. Probably a parallel instance of the absence of superior appointments amongst so many officers performing equally responsible duties could not be found in the whole range of the Civil Service.

The injury complained of falls upon every class below those wherein the cancelled vacancies have arisen, since no corresponding addition is ever made to one of the intermediate classes, and owing to the division of the out-door department into a large number of classes, the cancelling of a single vacancy in one of the upper ranks deprives many individuals of promotion. The tendency in other branches of the Civil Service for many years has been to abolish distinctions of classes where men are performing the same kind of work, and to substitute a service scale. We have still three classes of surveyors, although no distinction can be made in the allotment of their duties, and the hardship is made worse by the fact that the reduction in the number of surveyors has been made in undue proportion in the two higher classes.

If after all we have said, it be still considered that the reductions which have been made in the number of surveyorships in the London Customs are necessary, we feel that it cannot be denied that we are distinctly entitled to compensation for the loss of prospects which were clearly held out to us in the surveyors classification promulgated in June 1882. It is entirely in accordance with precedents established over and over again in the Civil Service that such compensation should be given.

Considering the important and responsible nature of a surveyor's duties, the pay and prospects of the classification of June 1882 did not provide a fair set off against advantages which had been lost; but as the prospects then held out to us have been taken away we think that we are justly entitled to compensation for the losses we have suffered. When we repeat that we have now lost eight positions going to 550*l.* per annum and four going to 480*l.*, and that the surveyors have been reduced to two-thirds of the number fixed in 1882, it must be admitted that the loss is one that inflicts a cruel hardship upon us, especially considering that we have loyally done our duty in carrying out the new warehousing system established in June 1882, and have always faithfully and zealously performed the laborious, difficult, and complicated work of our branch of the Customs Department. During the last six years the estimates of the Customs Department have been reduced by a net amount of about 100,000*l.* a year. This saving is gratifying from a national point of view, but it has not been effected without great loss and suffering having fallen upon many deserving officials and their innocent families.

For the reasons given we respectfully ask the Royal Commission to recommend that, as a measure of compensation, the existing distinctions between classes of officers performing the same duties may be abolished, and that there may be in future only one class of surveyors rising to the maximum salary of 600*l.* formerly sanctioned for the surveyors class, and that some compensation should be given by way of immediate addition to the actual salary in the case of those who have reached the maximum emolument of their class. We also ask that the collectorships should be thrown open to members of the out-door department who must necessarily have obtained the most varied and general experience in the whole of the business of the Customs service.

We feel sure you will admit that it is very hard for men who have toiled many years in the hope of rising, probably late in life, to situations which at the best are by no means splendid, to find those situations suddenly swept away, and that it must be demoralizing to our department to be subject to the uncertainty which now always exists as to whether, upon the occurrence of any vacancy, it will be filled up, or cancelled, or, what is equivalent to cancelling, allowed silently to lapse.

We have the honour to be,
My Lords and Gentlemen,
Your obedient servants,
FRANCIS GEORGE HEATH,
WM. THOMSON.
J. G. ATKIN.

On behalf of the surveyors of Her Majesty's Customs of the Port of London.

From Revenue Estimates, 1889–90.

Places occupied by or open to Members of the Out-door Department of Customs.

	Nos.	Position.	Minimum Salary.	Annual Increment.	Maximum Salary.	Amount of Vote.
			£	£	£	£
London.	3	Surveyor's General	800	25	1,000	2,610
	5	Inspectors	600	20	650	3,240
	1	Assistant Inspector	560	15	590	575
	7	Surveyors, 1st class	490	15	550	3,625
	16	„ 2nd „	430	15	480	7,470
	30	„ 3rd „	350	15	420	12,200
	112	Examining Officers, 1st class	230	10	300	31,830
	300	„ „ 2nd „	110	7*l.* 10*s.*	220	49,170
	155	Assistant Examining Officers	100	3	150	20,250
	1	Principal Coast Officer, 2nd class	80	5	100	100
	220	Out-door Officers, 1st class	85	1*l.* 10	100	20,170
	292	„ „ 2nd „	55	1*l.* 10*s.*	80	19,055
		Allowances for various special duties to Surveyors, Examining and Out-door Officers, including Sunday pay to latter.	—	—	—	2,345
Liverpool.	1	Inspector of Out-door Department	600	25	700	700
	1	Assistant Inspector	560	15	590	590
	2	Surveyors, 1st class	490	15	550	1,070
	4	„ 2nd „	420	15	480	1,770
	8	„ 3rd „	350	15	410	3,115
	1	Superintendent, 1st class	190	10	240	240
	2	„ 2nd „	140	10	180	350
	2	Principal Coast Officers, 1st class	110	10	130	260
	38	Examining Officers, 1st class	220	10	300	10,595
	92	„ „ 2nd „	110	7*l.* 10*s.*	220	15,970
	70	Assistant Examining Officers	100	3	150	9,990
	104	Out-door Officers, 1st class	85	1*l.* 10*s.*	100	9,730
	138	„ „ 2nd „	55	1*l.* 10*s.*	80	9,070
		Allowances and Sunday pay	—	—	—	880
Out-ports.	18	Superintendents, 1st class	190	10	240	3,940
	26	„ 2nd „	140	10	180	4,460
	34	Principal Coast Officers, 1st class	110	5	130	4,310
	61	„ „ 2nd „	80	5	100	6,020
	4	Surveyors, 1st class	420	15	480	1,825
	12	„ 2nd „	350	15	410	4,695
	17	„ 3rd „	300	10	340	5,560
	1	Inspector Tyne Waterguard	350	15	410	365
	73	Examining Officers, 1st class	220	10	300	20,540
	243	„ „ 2nd „	110	7*l.* 10*s.*	220	40,620
	287	Assistant Examining Officers	100	3	150	30,990
	201	Out-door Officers, 1st class	85	1*l.* 10*s.*	100	17,490
	360	„ „ 2nd „	55	1*l.* 10*s.*	80	24,270
		Allowances and Sunday pay	—	—	—	4,350
	2,942	Average per man, 138*l.* 2*s.* 9*d.*				406,405

Note.—There are in addition to the above-named officers 875 watermen and boatmen on the permanent establishment whose salaries and allowances amount to 55,285*l.*

Memorials.

From Revenue Estimates, 1889–90.

Places occupied by or open to Members of the Out-door Department of Excise.

Nos.	Position.	Minimum Salary.	Annual Increment.	Maximum Salary.	Amount of Vote.
		£	£	£	£
1	Secretary	—	—	1,200	1,200
1	Chief Inspector	—	—	1,000	1,000
3	Superintending Inspectors	700	25	800	2,318
8	Inspectors, 1st class	550	20	650	4,643
19	„ 2nd „	380	10	400	7,441
	Laboratory.				
1	Principal	—	—	1,000	1,000
1	Deputy	550	After 5 years £ 20	650	650
6	Analysts, 1st class	350	20	500	2,896
6	„ 2nd „	130	15	300	1,510
—	Duty Pay to two Superintending Analysts	—	—	50	100
12*	Collectors of Inland Revenue, 1st class	700	25	800	42,600
27*	„ „ 2nd „	550	20	650	
36*	„ „ 3rd „	450	10	500	
25	Superintending Clerks to Collectors	300	10	350	59,500
105	1st class „ „	230	10	280	
170	2nd „ „ „	100	5*l.* to 140*l.*, then by 7*l.* 10*s.* £	220	
1	Surveyor, Port of London	—	—	380	380
172	Supervisors, 1st class Districts	300	10	350	119,000
237	„ 2nd „ „	240	10	280	
50	Expectant Supervisors	—	—	220	268,000
1,348	Officers, 1st class	155	5*l.* to 170*l.*, then by 7*l.* 10*s.* £	220	
990	„ 2nd „	115	5	140 £ *s.*	133,000
740	Assistants of Excise	On entrance		50 0	54,000
		After 3 years		57 10	
		„ 6 „		65 0	
—	Officers of Excise when performing double duty	3*s.* per diem in Divisions 4*s.* „ Rides			3,700
—	Assistants of Excise when actively employed	2*s.* „ Divisions 3*s.* „ Rides			13,000
3,959	Average per man, 180*l.* 16*s.* 9*d.*				715,938

* Collectorships of Customs, numbering 54, with a total vote of 25,200*l.*, cannot be included in the calculation, as they have not been declared open to the Out-door Department. The great majority of these posts, however, are very far inferior in emolument to the collectorships of Inland Revenue, and their inclusion would only raise the average for the Customs by about 6*l.* per man.

STATEMENT OF BOATMEN OF HER MAJESTY'S CUSTOMS AT LIVERPOOL.

Port of Liverpool,
November 1886.

My Lords and Gentlemen,

We, the commissioned boatmen of H.M. Customs at this port, beg thankfully to avail ourselves of the privilege that your Royal Commission has extended to the various departments included within the scope of your inquiry, permitting them to place before that Commission such matter appertaining to their several departments as in the progress of that inquiry will necessarily form part of the deliberations of that Commission. And that in your own appointed time and by your direction representation of such various departments will be allowed.

Encouraged by these gracious concessions we beg most respectfully to submit, for the consideration of your Royal Commission, the following statement of our case:—

The Salary Question.

In approaching this most important part of our case we do so with a feeling of great anxiety, yet not without hope, believing that if we can but establish to the satisfaction of your Royal Commission that the salary awarded is not commensurate with the nature and importance of the duties performed, that your Royal Commission will not hesitate to point out the fact and suggest the necessary improvement.

Before stating in detail the duties we have to perform, we desire to make this general remark, that we have long ago been but too painfully made aware that the meagre salary given is totally inadequate to meet the many and varied requirements demanded in supporting in any way approaching respectability a wife and family.

The number of commissioned boatmen comprising the establishment of this port is 79, classified as follows:—

First class 26, second class 53, with salaries for first class, 70*l.* to 75*l.* per annum, second class, 55*l.* to 65*l.* per annum. Each class increases from its minimum to its maximum by an annual increment of 1*l.*

For this salary we make bold to affirm that some of the most arduous duties that comes within the range of the whole Civil Service falls to our lot.

There are more than three fourths of our number at this port who have an incessant run of duty for 365 days in the year—less the annual leave—and we desire here specially to point out that the peculiar hardship attaching to that continuity of duty is the amount of night-work involved.

At this juncture, with the permission of your Royal Commission, we beg to commend for your kindly perusal the annexed copy of a memorial on this subject addressed to the Honourable Commissioners of H.M. Customs, November 1884.

We believe that this course will obviate this paper becoming unduly lengthy, and, at the same time, will convey to your Royal Commission some real idea of the long hours, arduous toil, &c. entailed in the performance of boatmen's duty at the port of Liverpool.

Pardon us for daring by anticipation to assume that your Royal Commission having read the memorial referred to are at once struck by the marked contrast between the magnitude of the duty performed and the amount of remuneration awarded. We believe the inference inevitable.

We beg further to say that the statements therein made stand intact at the present day with one or two exceptions.

The principal exception it is imperative that we should at once explain.

The severity of river duty, as set forth in that memorial, has, in some measure, been mitigated by the substitution of two steam launches in lieu of rowing boat.

This boon, we regret to say, has not been an unmixed blessing, as by the change we have sustained a loss of 6*d.* per day, which amount was allowed as rowing money when river duty was performed by rowing boat.

The next part of our paper, as bearing a close relation to the question of salary, we devote to the subject of classification.

Classification.

The incidence of classification, as applied to our body, entails serious and grievous hardships, and, as a consequence, has engendered a strong conviction that nothing short of its total abolition, substituted by a system of yearly increments from the minimum to the maximum salary, will effect a fair and just settlement of this question.

In support of this contention we adduce the following example of the rate of progress from class to class for a decade; that is, from November 1876 to November 1886.

During that period the official return shows the number that has passed out of the second into the first class to be 29.

This, gives a yearly average of 2·9, the strength of the second class being 53, it follows that at this rate it will occupy 18·2 years to pass through that class.

This, again, looked at from a salary point of view, means that at the expiration of 11 years a boatman will have arrived at the maximum of the second-class salary, and will, therefore, receive no further increment for the ensuing 7·2 years, when, at such time, providing he shall have maintained an unblemished character, he will be rewarded by admittance into the first class.

A residue of the second class, numbering 34, entered the service at the initial salary of 60*l.* per annum, in their case, their maximum being 65*l.*, they will experience a cessation of increment for 12·2 years.

These statements being established, your Royal Commission will readily perceive that we can look with but little favour upon such a method of promotion, and this aversion becomes intensified when regard is had to the excessively low scale of pay attached to our position.

In February 1884 we addressed a memorial (annexed) to the Lords Commissioners of H.M. Treasury craving an improvement in salary, &c., the result of our efforts on that occasion being unsuccessful, we now beg respectfully to submit, for the favourable consideration of your Royal Commission, the following modified form of hat request:—

That instead of the present scale of pay and classification a boatman shall commence with a salary of 55*l.* per annum (as at present), and increase by a continuous yearly increment of 2*l.* to the maximum of 95*l.*

Taking into account the severity of the duties devolving upon us, together with the fact that more than three fourths of our number have to put in 73 and 80 hours per week, and that the greatest per-centage of that time is night duty, and also the importance of the Waterguard Department as guardian of one of the great branches of the National Revenue, we trust that the above request for an increase of salary will commend itself to your Royal Commission as being both fair and reasonable.

Promotion.

The subject of promotion to a higher grade forms an essential element in the well being of every department of the State, and without a due recognition of this principle no service can possibly be in a sound or healthy condition.

From some cause or other for a considerable time past the department to which we are attached appears to have lapsed into an unfavourable position in regard to this matter, as during the last 3½ years the total measure of promotion falling to the lot of boatmen at this port has been but two assistant examining officerships.

This we regard as abnormally low, and consequently has had not only a chilling effect upon the aspirations of those of our body who reasonably expected such reward, but also in this way has exercised a blighting influence on the rate of progress of the classes.

Having pointed out in this paper and by annexed memorials the excessively low scale of pay attached to our position, the adverse bearing upon us of the present system of classification, the exceedingly tardy rate of promotion to a higher grade, and the onerous, responsible, and severe nature of the duties we perform, we now anxiously leave the matter in your hands, my Lords and gentlemen, earnestly and hopefully trusting that each and every one of these important subjects may return again to us bearing the impress of amelioration as the outcome of your deliberations.

Such a realisation would indeed be a happy transformation from a condition of depression, overwork,

Memorials.

and discontent to all that is implied by the words gratitude and contentment.

We beg to subscribe ourselves,
My Lords and gentlemen,
Your obedient humble servants,

Signed on behalf of the body—
(Signed) Thomas Camm,
William Whiting,
Robert K. Martin,
William Harrison Jones,
Boatmen, H.M. Customs,
Liverpool.

(Copy.)

Port of Liverpool, November 1884.

To the Honourable the Commissioners of H.M. Customs.

Honourable Sirs,

The humble petition of the undersigned, the Commissioned Boatmen of H.M. Customs at this port,

Showeth,—

That your petitioners respectfully beg to draw your honours' attention to the all but unbearable severity of their situation by the introduction into the Waterguard Department of the present form of the "twenty-four" hours' movement.

That its introduction has involved to your petitioners very nearly double the hours of labour.

That this fact alone, coupled with the arduous, dangerous, and responsible character of their duties, has rendered their position, to use the mildest form of speech, pitiable in the extreme.

That your petitioners are persuaded that it is impossible for any but those having actual experience to form any adequate idea of the hardships entailed in the performance of boatmen's duty during the winter months on a wild, bleak, and tempestuous river such as is the Mersey.

That your petitioners desire to lay great stress on the fact that, prior to the introduction of the present scheme, when 24 hours' continuous duty in every fifth day was the rule on the river, your petitioners felt that even then, under that comparatively mild regulation, their constitutions were taxed to the utmost.

That as a result of their short experience of the present rigorous system, your petitioners feel compelled, on behalf of wives and families, as well as themselves, to state with great earnestness that a perpetuation of it must result in broken and shattered health.

That this will be obvious from the narration of the following pertinent facts your petitioners entertain no manner of doubt.

That in the performance of river duty it happens with great frequency, owing to the boisterous state of the river, accompanied, as is often the case, by a heavy downpour of rain, your petitioners get drenched to the skin, and, while in this dangerous condition, will be for hours exposed in going from ship to ship for the purpose of rummaging. And further, that whilst in this precarious state each boatman has in turn to take charge of the open boat (for it should be stated that, as a matter of fact, the steam launch is disabled about two-thirds of the winter) for as much as two hours at a time, whilst the remainder of the boat's crew are performing the rummage.

That this, your petitioners affirm, is often the case on the coldest and most bitter of winter nights.

Added to this, that the arduous nature of rummaging will in itself produce great heat and perspiration, therefore in the execution of such a duty your petitioners become unavoidably subjected to the dangers of alternate heat and cold, and often those dangers are aggravated by the addition of wet clothes.

That under this state of things your petitioners feel assured that your honours will readily perceive that a system like the present, which exacts 24 hours continuous duty, followed by 24 hours off, for four days alternately, with but one day of day duty in every five, cannot be applied to a river like the Mersey without incurring the penalty previously stated.

That the duties at the docks, though dissimilar in many respects, are, under the new regulations, but slightly less severe.

That the hours of labour are the same on the principal stations.

That in the case of one station every alternate 24 hours' duty is imposed (Sundays and holidays are included in all cases).

That the relative situation of the residential parts of the city to the extensive line of docks (seven miles) is peculiarly unfavourable, and necessitates the greater part of your petitioners to travel distances ranging from three to seven miles in order to reach their respective places of duty.

That in the case of those boatmen who have to travel the longer distance, and have to perform 24 hours' hard duty, it becomes necessary to resort to the accommodation afforded by 'bus, and they thus become subjected to the very serious drawback of being mulcted in an expenditure on this account of 1*s.* 8*d.* weekly, a deduction at once so important from wages ranging from 21*s.* to 25*s.* a week becomes very serious, and the gravity is still more increased when regard is had to the providing for the various wants of a family, in many cases six or seven in number.

That, touching the immediate duties of the docks, your petitioners desire to state that the most severe and harassing feature imposed, and the most prejudicial to health, is the keeping of patrol watch, that is, after toiling hard all day and nature well nigh exhausted, the night being divided into three watches, each boatman is allotted a watch.

That, should any vessel arrive direct from sea during night tide, which in a port like Liverpool is of very frequent occurrence, all hands proceed to the rummage. This duty, as we have previously intimated, can be done at no time without the exercise of great exertion, and, consequently, by the time the rummage or rummages are completed the boatmen engaged in it are reduced to a state of excessive heat; particularly will this be so in the case of steamers whose engine-rooms at such times are in a great glow of heat.

That, under these circumstances, and in this peculiarly dangerous condition resulting from such rummages, to be immediately subjected to keep a patrol watch on cold, bleak, and draughty quays in an inclement climate such as this your petitioners feel that such a proceeding is neither just nor humane, and that, sooner or later, if continued, must end, to many of them, in very serious physical consequences.

That your petitioners desire further to point out that, in addition to the foregoing facts, the introduction of the 24 hours' scheme has very injuriously affected them in a pecuniary aspect.

That prior to its enforcement those of your petitioners who were engaged on dock duty had an opportunity of participating, in a small degree, in the overtime that accrued from the discharging of vessels during the night, watching bonded goods on the quays, &c., &c., whereas by the operation of the present scheme they are debarred the available opportunity for such remunerative employment.

That side by side with this serious pecuniary loss there is the additional expense, incurred by this 24 hours' continuous duty, of having to provide for the maintenance of *two* tables.

That such a concurrence of unfavourable financial circumstances your petitioners need hardly assure your honours is already causing very real and tangible distress in their home affairs.

That your petitioners desire to assure your honourable board that, as a body, they entertain a great reluctance to assuming the rôle of complainers, but the intense hardships that have devolved upon them, both of a physical and financial character, by the action of the 24 hours' movement, they must plead as their justification in their departure from that rule in the present instance.

That your petitioners express an earnest hope that your honours may be pleased to take into your kind and favourable consideration their many and serious grievances, as set forth in the present memorial.

And your petitioners will ever pray, &c., &c.

Here follow the names of the boatmen.

(Copy.)

Port of Liverpool, February 1884.

To the Honourable the Lords Commissioners of Her Majesty's Treasury.

The humble petition of the undersigned, the Commissioned Boatmen of Her Majesty's Customs at Liverpool,

Showeth,—

That your petitioners, who comprise the body of commissioned boatmen of this port, very respectfully beg to draw your Lordships' attention to the following facts, and pray that you may be pleased to take them into your kind and favourable consideration, with a view to the amelioration of their condition:—

That the body when at its full strength numbers 79, and is classified as follows, viz.:—

First class 26, second class 53, with salaries ranging, first class, 70*l.* to 75*l.* per annum, second class, 55*l.* to 65*l.* per annum, each class increasing from its minimum to its maximum salary at the rate of 1*l.* per year.

That those boatmen who came into the service on the 60*l.* scale find that when they attain to the maximum of the second class they are stationary for about eight years (this is an error and should have been 12·2 years) before a vacancy occurs to enable them to enter the first class.

That about two thirds of your petitioners have to do duty 365 days in the year, less their annual leave.

That the duties of your petitioners are laborious, dangerous, and responsible, they having to board and rummage vessels lying in the river in all weathers, many of the vessels are of great size, and afford facilities for concealing contraband goods in a special degree, particularly in such places as the engine-room and coal bunkers, and which call for great exertion in the rummage, resulting in heavy wear and tear.

That the position of your petitioners is one of great trust and responsibility will be obvious, for by the nature and construction of the present day of gigantic vessels, a great amount of the duties must necessarily be performed without direct supervision, as it is impossible for the superior officer to be at all the various places during the rummage.

That your petitioners believe that upon their diligence, tact, zeal, and practical knowledge depends to a great extent the discovery and suppression of smuggling.

That your petitioners, in appealing to your Lordships to improve their position, would very humbly, but very earnestly, suggest the following amended salary scale, viz.:—

Second class commence at 60*l.* per annum and increased by an annual increment of 30*s.* to the maximum of 75*l.*

First class to commence at 80*l.* per annum and increased by a similar increment to the maximum of 95*l.*

That instead of the present division of classes, the following may be adopted in lieu thereof:—

First class to number 32; second class to number 47; thus curtailing the long and wearisome period that at present intervenes from the time your petitioners arrive at the maximum of the second class and their entrance into the first.

That in support of the prayer of your petitioners, they, in addition to the general merits of their case, would earnestly urge the following plea:—

That nearly all your petitioners are married and have families to provide for, which means, with their low scale of pay and the excessively high rents, cost of education, clothing, provisions, &c. in a city like Liverpool, their circumstances are straitened indeed, and they are oftentimes reduced to serious embarrassment.

That your petitioners would reiterate the hope that your Lordships may be pleased to give to their humble prayer your favourable consideration and so meet their very anxious wishes.

And your petitioners will ever pray, &c.

Here follow the names of the boatmen.

STATEMENT OF THE COMMISSIONED BOATMEN OF HER MAJESTY'S CUSTOMS AT THE PORT OF HARWICH.

The Petition of the Commissioned Boatmen of Her Majesty's Customs at the Port of Harwich,

Humbly showeth:—

That your petitioners, in describing their qualifications, the nature and hours of their duties, their remuneration, and course of advancement, are humbly confident of showing that they labour under great grievances.

That boatmen must, on entering the service, be under 30 years of age, and pass a strict medical examination, and a Civil Service examination in handwriting, orthography, and arithmetic.

That your petitioners discharge duties of an arduous nature, their boating duties in the harbour, their rummaging and boarding duties, and their patrol duties involving a vast amount of physical labour and endurance, exposure to weather by day and by night, and danger to life and limb; their intercourse with all classes of society rendering the tact and discretion of each individual officer essential to the dignity of the Department, and the detection and prevention of smuggling demanding an equal amount of individual zeal and intelligence.

That the educational examination undergone by boatmen proves their fitness for all clerical duties performed by subordinate officers of the Out-door Department.

That your petitioners are on duty every Sunday and every night in consequence of the time of arrival (2 to 3 o'clock a.m.) of the passenger steamers from Antwerp and Rotterdam, belonging to the Great Eastern Railway Company; and the patrol watch at the harbour, for which duty they receive no extra pay.

That, for an average of 12 hours, Sunday duty, your petitioners receive the scanty pay of 1*s.*

That, considering their great amount of physical labour and exposure, their present allowance of uniform clothing—a suit per annum and a monkey-jacket triennially—is insufficient.

That boatmen, while possessing educational fitness and a thorough practical knowledge of the duties of the service such as merit promotion, are placed at a disadvantage in an educational competition with out-door officers.

That boatmen are divided into two classes, the salaries of the first varying from 70*l.* to 75*l.*, and those of the second from 55*l.* to 65*l.* per annum.

That there exists a system of private investigation of character, whereby any officer may be under a charge without having an opportunity of defending himself. That boatmen have to serve 40 years before being entitled to their full superannuation allowance.

That in the event of an officer's death, his widow and children receive no provision from the service, and are often left destitute.

That your petitioners humbly believe the foregoing facts sufficient to show forth the painful truth that their incomes are—irrespective of their evidently being less than a fair remuneration for boatmen's duties—inadequate to supply the necessaries of life, much less the expenses entailed by sickness, and that their means of advancement, both in position and salary, are insufficient.

Therefore, your petitioners humbly pray—

That classification should be abolished.

That boatmen should receive an initial salary of 65*l.*, rising by 2*l.* per annum to 75*l.*, thence by 3*l.* per annum to 95*l.*

That Sunday and Bank Holiday pay should be proportionate to salary for the rest of the year.

That overtime pay should be increased to 1*s.* per hour, and that overtime should be paid for all duties performed in connexion with vessels discharging foreign cargoes before and after legal hours.

That the supply of uniform should be increased by the grant of another pair of trousers per annum, and a long overcoat and long oilskin or waterproof coat biennially.

That your petitioners should, in common with the boatmen of other ports, have a short and long watch alternately.

That all waterguard clerical duties should be performed by boatmen.

Memorials.

That a more liberal proportion of promotions, by selection, to the rank of examining officer and assistant examining officer should be granted to boatmen.

That no charge should be recorded against any officer unless he shall have been afforded an opportunity of defending himself.

That 30 years should qualify for the full superannuation allowance, or that elderly boatmen should discharge the less laborious duties of the service.

That from the death of an officer his widow or children should be granted the superannuation allowance, to which he was entitled at the time of his decease.

That a delegate be allowed to represent your petitioners.

Finally, though your petitioners are humbly conscious that they merit and enjoy the confidence of their superiors, they yet think that efficient service should be rewarded, not by the minimum salary which will obtain sufficient candidates for the service, but by such remuneration for, and incentives to, efficiency as will ensure comfort and contentment.

Therefore, your petitioners again humbly solicit the just and reasonable concessions above submitted.

And your petitioners will ever pray.

(Signed) Joseph W. Helyer.
Alfred E. West.
William A. Whyte.

Statements practically to the same effect were also received from Boatmen at the following Ports, viz.:—

Aberdeen.
Belfast.
Broughty Ferry.
Cardiff.
Cork.
Falmouth.
Glasgow.
Goole.
Grangemouth.
Greenock.
Grimsby.
Hartlepool West.
Hull.
Leith.
Liverpool.
London.
Middlesborough.
Morecamb Bay.
Newcastle.
Plymouth.
Shields.
Southampton.
Swansea.

REMARKS ON EVIDENCE AND MEMORIALS.

REMARKS by SIR A. WEST upon the EVIDENCE given by SIR A. SLADE.

I have carefully read the evidence given by Sir Alfred Slade, and I propose to divide under two heads the remarks I have to make upon it:

A. The present work and organisation of the Receiver General's department.

B. The proposal to absorb into that department the whole of the work now done in the five London collections.

As regards A., I consider that Sir Alfred Slade exaggerates both the labour and the responsibility falling on his office. The magnitude of the figures quoted is no test of the labour involved. For many years prior to 1888 the office of the Receiver General was one of receipt and payment of money only; in fact, it performed the simple duty of a cashier's office in a bank.

Since the 1st April 1888 we have arranged that certain licenses should be issued to the public, but this in no way whatever imposes any work of a confidential character in connexion with any of the taxes collected.

Let me take an example: If a person or a firm takes the trouble for purposes of secrecy to be specially assessed for income tax under a number or a letter of the alphabet, it is exceedingly foolish of them to make the payment by means of their own cheque to persons who are not sworn to secrecy. It is open to them to pay in notes and coin or to get a banker's draft, and if they bring Sir Alfred Slade or his clerks their own cheque, I should say it was presumptive evidence that they care very little about the secrecy.

I desire to put this very plainly, as I fear that Sir Alfred Slade's evidence might lead some people to think that the provisions for secret assessment of income tax were illusory. This is not the case, and if the taxpayer takes ordinary precautions when paying his tax, he has absolute security for that secrecy which the law contemplated in allowing assessments to be made under a number or alphabetical letter.

As regards the heavy personal liability dwelt on by Sir Alfred Slade, I cannot but think that vigilance on his part in supervising the daily work of the office places him in a position of practical security.

I cannot for one moment admit that clerks, although called lower division clerks, entering the service under the Playfair Scheme, are "a dangerous class to employ as cashiers" (Q. 22,544). I would point out that all cash, cheques, &c. are taken from the Receiver General's office *daily* by the clerks from the Bank of England, and that he has the satisfaction of knowing at the close of each day that the transactions of the day have been verified by the Accountant General and his clerks.

On the question of organisation in this office, so long as it exists in its present form, I can agree with many of Sir Alfred Slade's opinions. I agree with him that all cashiers should give security, and that the appointment of Deputy Receiver General is now unnecessary; and on both these points our Board have so reported to the Treasury.

In justice, however, to our action in 1877 on the introduction of the Playfair Scheme, I should like to explain that the Board created no new office, but merely recommended that the then chief clerk, Mr. Rea, an officer of long service and experience, should, without any increase at all of salary, receive the title of Deputy Receiver General. It was a purely titular change, and did not affect any alteration in his previous duties as chief clerk. We never intended that the post should be continued to a successor; and when Mr. Rea retired at the end of last year we refused to fill it up.

The Receiver General's department was organised on the seven hours scale when this system, accompanied by the abolition of duty pay, was introduced in the other Inland Revenue departments at Somerset House.

As to the "receiver of fines and forfeitures," or "receiver of hereditary revenue," I was not aware, until reading this evidence, of the existence of such an officer, who is not in any way under our authority.

As regards B., I must at once say that Sir Alfred Slade's proposal to absorb into his department the whole of the work now done in the five London collections is quite impracticable, and it could only have been advanced under a misapprehension of the nature and quantity of the work involved.

In what he says of the duties of collectors, Sir Alfred Slade confines himself to their in-door work. Their out-door work is of a totally different character, and does not come under his cognizance. Indeed, I should wish to take this opportunity of saying that, though I gladly recognise Sir Alfred Slade as a high authority on the actual receipt of money, I cannot consider him an authority on other branches of the Inland Revenue administration, and I notice in his evidence statements which show his want of familiarity with the practice of the department.

The Excise staff alone in the five London collections consists of—

5	collectors.
31	collectors' clerks.
305	supervisors, surveying officers, and assistants.
341	

They prepared and issued, in 1887-8, 113,148 licenses; they surveyed and charged duty at 7 distilleries and at 159 breweries, and were in charge of 38 bonded warehouses, including some of the largest in the kingdom. The total gross duties received and accounted for in 1887-8 in these five London collections were 10,894,784*l.*; the payments for salaries and other charges were 161,783*l.*, and the payments for drawback and spirit allowances amounted to 405,601*l.*

To concentrate all this business at Somerset House would give rise to serious inconvenience and delay, not only to the traders and the public, but to all the out-door officers surveying in the more distant parts of the London collections. The present system of decentralisation of work is, I am satisfied, both the safest as regards the revenue, and the more economical.

Sir Alfred Slade passes by the most important duties of a collector, which are not the receipt, as a receiver, of Revenue money, but the discipline and due supervision of all the out-door surveying officers who raise the charge of duty, and replying to the questions raised—often highly technical questions—by distillers, brewers, and any excise traders within his collection. These duties would remain even if it were possible to transfer to Somerset House all receipt of money, and it is obvious that they can be more efficiently performed by officers on the spot than by those at one central office. To provide for them in the latter way, we should have to add to the inspectors at the chief office, who could not have the local knowledge of, or the same control as, collectors stationed in the midst of their collections.

Our policy is, indeed, the exact reverse of that suggested by Sir Alfred Slade. We are desirous of reducing the number of inspectors at Somerset House, and of fixing more responsibility as regards discipline and supervision upon the superior out-door officers in command of local areas. This is, I am sure, a more effective method of administration than centralising all control at head-quarters.

So far I have dealt only with the Excise business under the collectors. As regards Sir Alfred Slade's proposals that the collection of taxes in the metropolis should be accounted for direct to him instead of to the London collectors of inland revenue, there is not, in principle, the same objection. It is, in fact, merely a question of convenience. And here I would wish to clear up in the minds of the uninitiated the ambiguity attaching to the term "collector." The collector of taxes is not, as a rule, the collector of inland revenue. He is the collector appointed by the district commissioners of taxes to collect income tax and inhabited house duty; he is paid by poundage, not by salary; and is in no sense our officer. He must receive the taxes, as his receipt alone is a valid discharge to the person assessed; and then he must pay over to the Revenue the money so received.

In the city of London the 35 collectors of taxes pay over their collections daily to a bank (the National Provincial Bank of England), and a transfer is made once a week of the aggregate amount collected to the Inland Revenue account at the Bank of England. This is an excellent arrangement, and I hope to extend it to other parts of London. Whether the bank transfer, which the collector of taxes sends as evidence of his payment into Revenue be sent to the Receiver General or to the nearest collector of inland revenue is only a question of convenience; and I am inclined so far to agree with Sir Alfred Slade that, within a given radius of Somerset House, it would be better that these transfers should pass directly through his accounts instead of filtering through the accounts of the collectors of inland revenue. It would not, however, be desirable to adopt this course for the whole metropolitan area.

Remarks on Evidence and Memorials.

Sir Alfred Slade could scarcely have been aware that this area contains the districts of 42 tax surveyors, and that the number of separate assessments to be collected by the local collectors is 1,600,000. To focus all these payments in the Receiver General's accounts would necessitate a large increase of staff both in his office and in that of the Accountant General, and as collectors of inland revenue must be kept up for Excise business and Excise discipline, it is more convenient that the tax payments into Revenue should be distributed through their accounts.

Although we find it impossible, with due regard to the safety of the Revenue, to agree to the sweeping and somewhat crude suggestions of the Receiver General, we have carefully examined his proposals to see whether, though impossible in their entirety, they could with any advantage be partially adopted.

We readily recognise the willingness of Sir Alfred Slade to undertake additional work and responsibility, and we have found that it is, in our opinion, possible to a certain degree to utilise this willingness in a manner profitable to the Revenue. We have placed before the Treasury a scheme under which the Excise license duties within a given area round Somerset House, and the tax payments into Revenue within a larger area round Somerset House, should be paid to or through him. Assuming that his successor be a collector trained and experienced in Revenue law and practice, we can in this way by a re-arrangement abolish one of the present London collections, thus reducing the number of London collectors, other than the Receiver General, from five to four. This scheme, which would effect an immediate saving of about 800*l.* a year, is now awaiting consideration at the Treasury, and pending the report of the Royal Commission no decision will be arrived at.

It represents on our part the nearest approach which it is possible to make to Sir Alfred Slade's proposals, consistently with the safety of the Revenue and the convenience of the Excise traders and the general tax-paying public in the metropolitan area.

ALGERNON WEST.

Somerset House,
9th April 1889.

REMARKS by SIR A. WEST on the EVIDENCE given on behalf of the SECOND CLASS INSPECTORS OF EXCISE.

I HAVE read the evidence given on behalf of the second class inspectors of Excise, and regret the serious exaggerations in the statements made by Messrs. Fisher and Anderson.

Second class inspectors of Excise, when in Somerset House, perform duties of a purely subordinate character, all their work being checked and overlooked by superintending inspectors, and, except when officiating for collectors in the country, when extra allowances are granted to them, they have no direct responsibility.

It is incorrect to say that they draft the Board's letters, and really do the work of the assistant secretaries, the committee clerks, and the principal clerks. As a matter of fact, proportionately few of the papers received are referred from those officers to the inspector's department.

The work of the secretariat officers embraces very much more than Messrs. Anderson and Fisher appear even to know of, and their very erroneous description of some of the classes of papers must be attributed to their ignorance of them. In addition to Excise matters, the work of the secretariat includes questions of policy, practice, and law relating to stamps, legacy and succession duties, probate and account duty, corporation duty, land tax, income tax, and inhabited house duty, in none of which would a second class inspector of Excise be consulted for a moment. It is impossible for me in a short memorandum to meet the numerous misleading statements made by Messrs. Anderson and Fisher, but the Royal Commission must not suppose it is a fact that collectors or inspectors of Excise really do the difficult work in the collection of the income tax, or assess either taxes or stamp duties, or railway passenger duties, or that the credit of re-arranging the areas of districts in Ireland belongs to Mr. Fisher. That duty was entrusted by us to Mr. Micks, at the time our collector in Dublin, who admirably carried out our instructions, and to whom the chief credit is due. Mr. Fisher's employment was entirely subordinate, and he worked directly under Mr. Micks' personal direction. Nor is it accurate to say that questions of discipline are first referred to, or dealt with, by the inspectors. The most important complaints and questions of discipline are brought direct to the Board by the secretary, and are dealt with either by the chairman or deputy chairman. The less important complaints only are first sent to the second class inspectors that they may make a précis of the complaints for the convenience of the secretary or assistant secretary.

The main object of the existence of this class has been partly to assist the superintending inspectors, on whom devolve very important duties, and partly to give supervisors—from whom the second class inspectors are immediately recruited—an opportunity of learning the mode of business at the head office, with a view to their becoming at a future time more efficient collectors; but our Board has for some time had under consideration the question of abolishing this class as it at present exists, and of recruiting our collectors directly from the ranks of the supervisors, and if we can see our way to do this without injuring the prospects of promotion for the really hard working out-door Excise service, it is a reform which we shall certainly submit to the Treasury. It is certain that at present the second class inspectors appear to hold a very mistaken view of their relative importance in our service.

ALGERNON WEST.

Somerset House,
3rd April 1889.

REMARKS by SIR A. WEST on the EVIDENCE given on behalf of the SURVEYORS OF TAXES.

THE evidence of the surveyors of taxes (Mr. Blake and Mr. Gough) does not appear to me to call for comment, although I cannot altogether agree with what they say with regard to clerical assistance, reports on schedules, and ledger accounts.

We are pleased to note the satisfaction which is expressed at the late reorganisation, and we do most fully recognise the delicacy and the difficulty of the duties so well performed by them.

ALGERNON WEST.

3rd April 1889.

REMARKS by SIR A. WEST on the EVIDENCE given on behalf of the EXCISE OUT-DOOR SERVICE.

As regards the evidence given by Messrs. Hunter, Cunningham, Crowe, and Webster, I do not think I could with advantage add anything to what the Board of Inland Revenue have already said in the correspondence between themselves and the Excise out-door officers, which has been handed in to the Commission by Mr. Cunningham.

The subject of the positions, the salaries, and the allowances of the officers of Excise has been considered with the greatest possible care during the past eight years. There have been many communications between the Treasury and ourselves, and several papers have been presented to Parliament.

The views of the Board of Inland Revenue have been, in my opinion, most fully expressed, and I have only to say now that, recognising, as I have always done, the great value of the services performed by the officers of Excise, I cannot consider that they have established a claim to any increased salaries or allowances.

I do not attempt in this note to reply to the numerous statements given in evidence by the representatives of the Excise out-door service, but I trust that the Commission

will not assume that I admit their entire accuracy. If I were required to answer every point in detail, I think I should be obliged to ask the Commission to recall me for the purpose.

I am, however, content to admit that, generally speaking, the representatives have laid their case before the Commission in a manner to which no exception need be taken, though they have failed to convince me that their case is well founded.

Remarks on Evidence and Memorials.

ALGERNON WEST.

Somerset House,
3rd April 1889.

LONDON OUT-DOOR OFFICERS.

STATEMENT AND EVIDENCE.

The out-door officers complain of the large number of officers almost continually employed as acting examining officers, while they are paid at a lower rate than an examining officer.

2. Some of the business of the Customs Department is very intermittent, and a sufficient establishment of examining officers to do all the work at these seasons could not be maintained without making a considerable addition to the staff, which would be wasted when the time of pressure had passed. At such times it is reasonable that out-door officers should be employed as acting examining officers, and also (following the practice in other public departments) that they should be employed as such in the absence of examining officers on leave or sickness.

But employment beyond this is not reasonable, and the Board admit the validity of the complaint, that the practice has grown up of employing out-door officers in the acting capacity when it is not to be justified by either of the reasons given above; but it is no new practice, and it will be as well to state the steps which have of late years been taken to remedy it, and improve the position of the out-door officers.

3. In July 1881 a committee of the House of Commons, which was appointed to inquire into the conditions of service and rates of pay of the Customs out-door officers at the out-ports, reported "that it is of daily occurrence at "the out-ports that out-door officers of both classes "perform the duties of examining officers and (with the "exception of a few at the larger ports who receive 10*l.* "per annum) without any remuneration," and expressed the opinion that "extra pay as at present should be given "to all those out-door officers who discharge the duties of "gauger or examiner." At that time, out of

2,141 out-door officers and
422 boatmen

2,563

there were 505 employed on acting duty, of whom only 140 were in receipt of the 10*l.* allowance.

4. In consequence of the recommendations of the committee the whole of the out-door officers at the out-ports, who had previously been on a much lower scale of salary, were placed on the same scales as the London officers as to the maximum salary of each class, the initial salary being reduced to its present amount, and the annual increments of the two classes being raised from 1*l.* to 30*s.*, which was the increment of the 1st class in London. The immediate effect of this change was that the vote for the salaries of the out-door officers was increased by about 5,500*l.* a year.

5. The Treasury at the same time directed "that out-"door officers, passed as competent to be employed on "examining officers' duties should be paid, in addition to "the salaries of their class, at the rate of 2*d.* an hour, but "not more than 1*s.* a day, when so employed. All out-"door officers now in receipt of 10*l.* per annum as acting "examining officers shall continue to be paid on that "scale, if it is more advantageous for them."

6. The result was, that, in 1884–85, out of 2,393 out-door officers and boatmen (a smaller number than was in the service in 1882)—

21 men were in receipt of the 10*l.* allowance
and 441 „ „ 2*d.* rate

462 in all,

while the extra payments made to acting examining officers amounted to 4,332*l.* as against 1,226*l.* in 1881–82.

7. Though the position of the out-door officer acting as examining officer was thus to a considerable extent improved, the Board on a review of the duties performed by many of the 2nd class examining officers and the out-door officers acting as examining officers, did not consider that the 2*d.* rate of extra pay allowed was a satisfactory solution of the question either in the interest of the public or that of the officers.

It was known that while a considerable proportion of the 2nd class examining officers was continuously employed upon duties which did not require any high degree of educational attainments and practical competency, the possession of which was the justification for the salaries they received, a large number of out-door officers and boatmen were continuously employed on similar work with only the addition of 1*s* a day to their pay when so employed. It was considered that for the duties in question the 2nd class examining officer was paid at too high a rate while the out-door officer was paid at one too low.

8. The duties of the officers which were at the time under consideration were—

Quarantine and rummaging.
Copyists' work in the warehouses.
Weighing dry goods or tobacco.
Re-gauging wines.
Delivery of free goods in bulk or in packages as subordinates but not as chiefs.
Delivery of passengers' or seamen's baggage.

9. The Board accordingly applied to the Treasury to sanction the creation of an intermediate class to be called assistant examining officers, with a scale of salary from 100*l.* by 3*l.* a year to 150*l.* This class was originally to have consisted of 512 officers, and it was to be gradually formed by the reduction of—

339 places in the 2nd class of examining officer
and 173 „ out-door officer class.

512

This number of places fairly represented the number of 2nd class examining officers and out-door officers who were at that date found to be employed on duties of the description named above.

10. The Treasury assented to the arrangement in September 1885 on the conditions that the new class should be introduced gradually, every fresh appointment to it being met by the suppression of an existing place either in the class of 2nd class examining officer or in that of out-door officer, and of these 512 places, 218 have been since that date filled by the promotion of out-door officers and boatmen, these 218 places having been created by the reduction of—

119 places of 2nd class examining officer
99 „ out-door officer.

218

11. While the out-door officers and boatmen have thus lost the 119 places leading to a higher scale of salary, they have gained 218 places leading up to 150*l.* a year, and it must be borne in mind that many officers have thus received an improvement in position who would not have been considered fit for the full class, and who would not have been successful in competition. As vacancies occur the 291 remaining places in the class of assistant examining officer will be filled.

12. The result of the creation of this class upon the number of the officers receiving the acting allowances has been satisfactory. As stated above, in 1884–85, 462 officers out of 2,393 were in receipt on the 10*l.* allowance or the 2*d.* rate, there are now out of 2,190 officers—

7 in receipt of the 10*l.* allowance, and
231 „ „ 2*d.* rate,

338

thus showing a reduction of 124 in the number of acting officers while the number of the grades out of which they come has been reduced by 203.

13. The effect of the formation of this class is therefore with considerable rapidity diminishing the grievance of which the officers complain, and when the remaining 291 places on the class are filled it is expected that any reasonable grievance will be removed. But five or six years may

Remarks on Evidence and Memorials.

yet elapse before these 291 places are filled, and it is for consideration whether some temporary arrangement might not be sanctioned in order to remove the ground of complaint at the point where the grievance really exists.

14. The 2*d.* rate was presumably sanctioned by the Treasury on the supposition that, as a rule, only 1st class out-door officers would be employed as acting examining officers; but for sufficient reasons this is frequently not the case.

15. Officers intended to be employed on this acting duty are formally approved by the Board, and the number of officers at present approved to act is 338, viz.:—

Out-door Officers.

—	1st Class.	2nd Class.	Total.
London - -	46	19	65
Liverpool - -	26	22	48
Out-ports - -	94	80	174
	166	121	287

Boatmen.

—	1st Class.	2nd Class.	Total.
London - -	8	Nil	8
Liverpool - -	8	Nil	8
Out-ports - -	29	6	35
	45	6	51

16. The average salary and allowances received by the 1st class acting examining officer is nearly 107*l.*, which is 7*l.* in excess of the minimum salary of an assistant, and only 3*l.* less than the minimum of a 2nd class examining officer. It is not considered that these officers have much to complain of.

17. But the average salary and allowances received by the 2nd class out-door officer and by the boatmen of both classes acting as examining officers is only 87*l.*, and I do not think that this is a sufficient remuneration for the duties they perform.

18. The average *acting allowance* received by the 2nd class out-door officer when acting as examining officer is over 12*l.* a year and that received by boatmen when so acting exceeds 14*l.* a year.

19. The officers have suggested, as a remedy for their complaint, that the class of assistants should be at once filled up to its full number; but there are strong objections to such a course, it would upset the calculations which in the interest of the public were made at the time the class was formed, and by making the 220 officers of 2nd class examining officers, which are to be gradually absorbed in the assistant class, at once redundant, it would practically for a long time stop all promotion to that class.

20. But as a remedy for what is considered a reasonable complaint, I suggest, for the consideration of the Royal Commission, whether, pending the completion of the formation of the class of assistants, the 2*d.* rate might not be raised to 4*d.* in the case of 2nd class out-door officers and all boatmen employed as acting examining officers, but the allowance not to exceed 2*s.* a day. This would practically place them on an average at the minimum salary of the assistant class. The cost of such a scheme would be about 2,200*l.* the first year, but it would gradually decrease as the class of assistants is filled.

21. In reply to question number 25,649 the officers point out that out-door officers are frequently employed on superior duty, though they have not been approved by the Board to act, and are consequently not entitled to receive the acting allowance. The necessity for this frequently arises, and it would not be advisable to tie the hands of an administration in such a way that they could only employ officers on the particular duty to which they have been appointed. The responsibility for the employment of such "unapproved" officers rests solely on their superior officer at the station, and although the men who are required to perform the superior duty do not receive any extra payment they know that by such employment they earn character, and that by "acting" they are gaining proficiency in the duties of an examining officer, and thus qualifying themselves for promotion.

Officers at Goole.

22. It is stated, in reply to question number 25,627, that at Goole there is one man who has been continuously acting for 10 years and another for nine. In one of these cases the officer declined promotion at any other port, and he has lately been promoted to a vacancy at Goole; the other officer was passed over in 1886 as unfit for promotion.

Insufficiency of Salaries.

23. The out-door officers in London complain that their salaries are insufficient, and the Liverpool officers complain that the initial salary, 55*l.*, is too low, and ask for an immediate addition of 10*l.* (apparently) to the amount of which each officer is now in receipt.

24. The present scales of salary and increment were fixed by Treasury Minute of 2nd January 1882, in consequence of the report of the Committee of the House of Commons which specially inquired, in 1881, into the complaints of the out-door officers at the out-ports. That Committee, while it considered that the salaries then paid at the out-ports, 55*l.* to 85*l.*, were too low, and that there was no reason why there should be any difference between the London and the out-port scale, reported "that, having "regard to the abundant supply of young men as candi- "dates for the service, the initial salary should be paid at "a somewhat lesser sum than the 70*l.* paid in London, "and that the annual increment of 1*l.* should be increased." The Treasury accordingly gave the London maximum of 100*l.* to all 1st class officers, and they fixed the initial salary of the 2nd class at the old out-port rate, viz., 55*l.*, and they, at the same time, raised the annual increment of both classes to that of the London 1st class, viz., 30*s.*

25. Having thus been put on an equal footing at all the ports, an improvement in the initial salary is asked for by the Liverpool officers, and an improvement in the annual increment is asked for by the representatives from all the ports.

26. (*See* question No. 25,760.) The ground on which the improvement of the initial salary is asked for is stated to be the difficulty of supporting a family on the pay received: but it must be borne in mind that an out-door officer can enter between the ages of 19 to 25; that, in addition to his salary, uniform is given, and that the State can hardly be called upon to provide a scale of pay sufficient to meet the requirements of early and improvident marriages. Moreover, it may be observed that in condemning the boarding system on which young officers on first joining the Service are usually employed, one of the Liverpool officers practically admitted that the initial salary of which complaint is made, viz., 55*l.* a year with uniform, is paid to "young men mostly just from school." (*See* 25,781.)

Abolition of Grades in the Class and Increase of Increment.

27. The officers request the abolition of classification and the increase of the annual increment from 30*s.* to 3*l.*, so that every officer may advance without check to the maximum of 100*l.*; they claim this on the ground that the duty performed by both classes is the same.

28. It is not strictly accurate to say that the duties of the two classes are the same; the 2nd class are largely employed on water guard and landing duty, while the 1st class are generally employed in the warehouses where their duty is in some proportion to their higher rate of pay.

29. Though promotion from class to class is mainly dependent on seniority, providing that the officer's character is clear, the occasional exercise of the power of promotion by merit is believed to be beneficial to the Service, as it affords an opportunity of encouraging men of marked intelligence by bringing them at an earlier age into the 1st class from which promotions to the examining class are usually made. It is better that this power should continue, and the division into classes enables it. The extent to which it has been exercised may be judged by the following figures. In January 1887 there were 910 2nd class officers in the Service; since that date 117 have been promoted, 110 by seniority and 7 by merit.

30. Moreover, there are men in the Service who are amply paid at 80*l.* a year.

31. That no strong ground exists for merging the classes is shown by the following facts:—

1. Although it takes 17 years for an officer to attain the maximum of the 2nd class by the regular operation of annual increments, the average service of the last 12 who were promoted was only $11\frac{3}{12}$ years, and the average service of the 24 who stand next for promotion is $11\frac{4}{12}$ years.
2. Of the 790 officers now in the 2nd class only 50 are at their maximum; and of these 50 only five have

been at their maximum more than three years; of these five four are men who have in the course of their service been "reduced" for misconduct—one of the three at Liverpool no less than five times, and of the remainder, 19 others have also been charged or come under censure.

3. The fact of an officer being in the 2nd class does not bar him from promotion to the class of assistant examining officers. The formation of that class commenced in 1886; there are now 218 in it, and of these 41 were promoted from the 2nd class, viz., four in London, five in Liverpool, 32 at the outports.

COST OF THE PROPOSAL MADE BY THE OUT-DOOR OFFICERS.

32. The estimates for the current year give the following as the number of out-door officers on the establishment:—

—	1st Class.	2nd Class.	Total.
London - -	220	292	512
Liverpool - -	104	138	242
Out-ports - -	201	360	561
	525	790	1,315

The cost of this establishment at the present rates of salary is—

	£
At the maximum - - -	115,700
„ minimum - - -	88,075
„ mean - - - -	101,888

and the estimates of the current year provide 99,785*l.* as the sum required to defray the cost of the two classes.

The cost of an establishment, with the same number of officers, but with a scale of salary rising from 55*l.* to 100*l.*, without any break of class, would be as follows:—

	£
Maximum - - - -	131,500
Minimum - - - -	72,325
Mean - - - -	101,912

33. It thus appears that, apart from any question of an increased increment, the merging of the two classes into one would, probably, not result in any material increase in the cost at mean salaries. But the cost would be increased considerably (1) by the adoption of a higher rate of increment, and (2) if there should be such a diminution in the total number of superior offices to which out-door officers can now rise as would affect materially the number of promotions and lead to a larger number of the officers attaining the maximum of 100*l.* than is at present the case.

34. It is to be observed that if the increment is raised to 3*l.*, that of the assistant examining officers, which is at present at 3*l.*, will also have to be raised.

35. It is not easy to form any estimate of the actual cost to the public of the proposed increased increment, as it will depend on the average length of service after which an officer will be promoted; and though it has been shown that, at present, an officer is promoted after a little over 11 years' service, the length of service may, hereafter, be longer.

36. The tables following paragraph 40, however, show the gain to an officer by the substitution of the 3*l.* for the 30*s.* increment, at the end of each quinquennial period in a service of 30 years (which would be necessary before he reached the maximum of 100*l.*), and the total amount which he would gain in that period, viz., 337*l.* 10*s.*, or 11*l.* 7*s.* per annum.

37. If the average service, previous to promotion, remains as at present, it is estimated that the increased cost to the public in consequence of the increased increment would amount to over 9,000*l.* a year; but if it is extended to, say, 15 years the cost will exceed 13,000*l.*

38. But there is no proof that promotions will be much delayed.

There were in the service in 1881–82—

2,141 out-door officers,
422 boatmen,

2,563

and there were open to them on promotion the following number of places (excluding surveyorships):—

Examining officers, class 1 - - -	162
„ „ class 2 - - -	716
Total - - - -	878

There are now in the service—

1,315 out-door officers,
875 boatmen,

2,190

and there are open to them on promotion the following places:—

Examining officers, 1st class - -	223
„ „ 2nd class - -	635
„ „ assistant - -	512
Total - - - -	1,370

As a matter of fact, by far the largest number of promotions to the assistant class have been made from the ranks of the out-door officers; since out of the 218 officers now in the class, only 16 boatmen have been promoted to it as compared with 202 out-door officers.

39. But putting out of consideration the class of assistants to which the promotion of boatmen is mainly limited, it will be observed that whereas in 1882 there were only 878 places of examining officer, to which 2,141 out-door officers could aspire, there are now 858 places of that rank with only 1,315 out-door officers as candidates.

40. It cannot, therefore, be maintained with any semblance of accuracy that the prospects of the out-door officers are worse than they were in 1882.

TABLE showing gain to an Officer by substitution of a 3*l.* for a 30*s.* increment.

Year of Service.	Salary with 30*s.* Increment.	Salary with 3*l.* Increment.	Gain to Officer.	Gain to Officer at end of each Five Years.	Average Gain per Annum up to end of each Five Years.
	£ *s.* *d.*	£	£ *s.* *d.*	£ *s.* *d.*	£ *s.* *d.*
1st -	55 0 0	55	—		
2nd -	56 10 0	58	1 10 0		
3rd -	58 0 0	61	3 0 0		
4th -	59 10 0	64	4 10 0		
5th -	61 0 0	67	6 0 0		
				15 0 0	3 0 0
6th -	62 10 0	70	7 10 0		
7th -	64 0 0	73	9 0 0		
8th -	65 10 0	76	10 10 0		
9th -	67 0 0	79	12 0 0		
10th -	68 10 0	82	13 10 0		
				67 10 0	6 15 0
11th -	70 0 0	85	15 0 0		
12th -	71 10 0	88	16 10 0		
13th -	73 0 0	91	18 0 0		
14th -	74 10 0	94	19 10 0		
15th -	76 0 0	97	21 0 0		
				157 10 0	10 10 0
16th -	77 10 0	100	22 10 0		
17th -	79 0 0	100	21 0 0		
18th -	80 10 0	100	19 10 0		
19th -	82 0 0	100	18 0 0		
20th -	83 10 0	100	16 10 0		
				255 0 0	12 15 0
21st -	85 0 0	100	15 0 0		
22nd -	86 10 0	100	13 10 0		
23rd -	88 0 0	100	12 0 0		
24th -	89 10 0	100	10 10 0		
25th -	91 0 0	100	9 0 0		
				315 0 0	12 12 0
26th -	92 10 0	100	7 10 0		
27th -	94 0 0	100	6 0 0		
28th -	95 10 0	100	4 10 0		
29th -	97 0 0	100	3 0 0		
30th -	98 10 0	100	1 10 0		
				337 10 0	11 5 0
31st -	100 0 0	100			

An officer serving 40 years would have gained 337*l.* 10*s.*, or 8*l.* 8*s.* 9*d.* per annum.

Remarks on Evidence and Memorials.

TABLE showing the Salary in each year of service of an Out-door Officer with a 3*l.* increment compared with that of one with a 30*s.* increment.

Year of Service.	Salary with 30*s.* Increment	Salary with 3*l.* Increment.
	£ *s.* *d.*	£ *s.* *d.*
1st	55 0 0	55 0 0
2nd	56 10 0	58 0 0
3rd	58 0 0	61 0 0
4th	59 10 0	64 0 0
5th	61 0 0	67 0 0
6th	62 10 0	70 0 0
7th	64 0 0	73 0 0
8th	65 10 0	76 0 0
9th	67 0 0	79 0 0
10th	68 10 0	82 0 0
11th	70 0 0	85 0 0
12th	71 10 0	88 0 0
13th	73 0 0	91 0 0
14th	74 10 0	94 0
15th	76 0 0	97 0 0
16th	77 10 0	100 0 0
17th	79 0 0	100 0 0
18th	80 10 0	100 0 0
19th	82 0 0	100 0 0
20th	83 10 0	100 0 0
21st	85 0 0	100 0 0
22nd	86 10 0	100 0 0
23rd	88 0 0	100 0 0
24th	89 10 0	100 0 0
25th	91 0 0	100 0 0
26th	92 10 0	100 0 0
27th	94 0 0	100 0 0
28th	95 10 0	100 0 0
29th	97 0 0	100 0 0
30th	98 10 0	100 0 0
31st	100 0 0	100 0 0
	2,402 10 0	2,740 0 0
		2,402 10 0
Gain to officer with 3*l.* increment at the end of his 30th year of service		337 10 0 or 11 5 per annum.

The general objections to a service scale are stated more fully in paragraph 70.

OUT-DOOR OFFICERS WHO ENTERED AT 70*l.*

41. Previous to the Report of the Committee of 1881 a 2nd class officer in London and Liverpool entered at 70*l.* a year, and under the Treasury Minute of 2nd January 1882 these officers were to continue to advance to the maximum of their class, 80*l.*, by the old annual increment of 1*l.*

There are 88 of these officers, but as they will attain their maximum after 11 years' service (and none can now have served less than 7 years), there does not seem any reason for making any change.

PROMOTION BY COMPETITION.

42. The officers claim that all promotion to the examining class should be made from a competitive list.

The present rule is that half the promotion is made by selection, and half from a competitive list, and it is not advisable that these proportions should be altered. Particular qualities are often required at particular places, and the officers have to be selected accordingly; and though the above rule is pretty closely adhered to, the exigencies of the service not unfrequently require that "selection" should be applied when the promotion is due to the competitive list, the debt due to that list being subsequently paid.

43. Examination papers are not the only test of a man's capacity for promotion, and the double system of promotion gives a fair field to the various qualities which officers possess, and especially to the older officers. On this subject the Committee of 1881 made the following remarks in its Report:—"It is a subject of complaint that the competitive examination for the grade of examiner operates unfavourably, inasmuch as young men of superior scholastic attainments enter the out-door service with the object of obtaining, at the earliest period that the regulations permit (three years), the superior grade of examiner which a competitive examination enables them to obtain over the heads of experienced officers—possibly of double their age—who may have, for many years, performed the duties of acting examiners."

44. It is to be observed also, that the Liverpool out-door officers do not, in their statement, join in making this claim, but urge that "the examinations should be limited to departmental subjects so that undue advantage may not be given to officers of short service."

MARKS AT EXAMINATION.

45. The officers ask that the marks obtained by each candidate at the competitive examinations may be communicated to him.

In July 1888 the Board were of opinion that the unsuccessful candidates should be informed of the marks obtained by them in the various subjects of examination, and they requested the Civil Service Commissioners, who conduct the examinations, to furnish the Board with the information in order that candidates might be acquainted accordingly. The Commissioners, however, stated in reply that it had been their practice to direct that when the complete failure of a candidate in some one of the subjects of the literary examination had been ascertained his remaining papers should not be examined or any mark assigned to them; and, in order to prevent the increase of expense, they deemed it desirable to continue the practice; they added, however, that they would be ready to inform the Board as to the particular subject in which any candidate has been found to have failed to reach the required standard, and the Board have agreed to this course being taken in future examinations.

CLERICAL VACANCIES AT OUT-PORTS.

46. The officers ask that all these vacancies may be filled by competition among the out-door officers.

As a general rule the Board see no objection to this course, and submitted a proposal to the Treasury to recruit the out-port clerical service from the out-door ranks.

47. The recent promotions of certain copyists to some of these vacancies were made under Treasury authority in connexion with inquiries recently instituted by the Treasury into the work on which copyists generally throughout the public service had been employed.

48. The promotion of a copyist at Cowes to the position of an out-door officer was a special arrangement sanctioned by the Treasury at the suggestion of the Board on account of peculiar qualifications which the copyist had shown.

COMPULSORY RETIREMENT AT 60.

49. It may be assumed that any rule which may be adopted for the rest of the public service will be applied to the Customs.

CHARACTERS (AGES AND CAPACITIES).

50. This question is fully dealt with in paragraph 85.

HOURS OF SERVICE.

51. This question is dealt with in the remarks upon the evidence given by the Liverpool officers.

QUEENSTOWN.

52. The collector at Cork states that there is no foundation for the statement made in answer to question No. 25,707.

LONDON EXAMINING OFFICERS.

Classifications of 1882 *and* 1889.

53. The examining officers in London commence their statement to the Commission by setting out the classification sanctioned by the Treasury in 1882 as compared with that set out in the estimates for 1888.

54. The main differences in this classification are—

(1.) The reduction in the number of surveyors.

(2.) The reduction in the number of 2nd class examining officers.

(3.) The formation of the class of assistant examining officers.

Number 1 only directly affects the examining officers, but it is right to state that it is also at present intended to reduce the number of 1st class examining officers to 108, and it is of such reductions that the officers mainly complain.

55. In view of the considerable reductions which either have been made or are contemplated, and of the statement by the officers in reply to question 25,511, that in 1882 "the "number of surveyors was increased by 25 on account of "so many officers from the indoor department coming "outside and holding certain posts inside, they received "certain posts outside of an equivalent value, which "posts are now being quietly withdrawn," it is necessary to explain the origin of the classification of 1882 and the causes which have led to the changes made in it since that date.

56. There is no question but that when the Inland Revenue system of keeping the warehouse accounts was adopted in 1882, the changes made were in opposition to the opinion of the majority of the Board of Customs. The staff considered at the time necessary for the purpose was fixed upon the recommendation of three officers selected by the Board to report upon the subject; but in forwarding it for the approval of the Treasury the Board expressly limited their responsibility for it to its transmission, observing that "We consider that neither the Committee "who express the opinion nor we, who are the medium of "its transmission for your Lordships' consideration, have "sufficient experience of the altered organisation necessary "for the transaction of the consolidated duties to enable "us or them to make a trustworthy forecast of the numbers and grades of the officers sufficient to attend to "them."

57. The recommendation sent in to the Treasury included the appointment of 46 surveyors for import and export duty and 29 surveyors for warehousing work.

The number of surveyors for warehousing work was recommended under the idea that under the new system it was necessary that every entry in the warehouse books should be checked by a surveyor, on the assumption, apparently, that that officer might be considered to rank with the supervisors in the inland revenue by whom the warehouse accounts in that department were checked. This "checking," so far as dry goods are concerned, resolves itself into seeing that a document is entered in the right book, and that the proper particulars are correctly recorded, and it can be done by an intelligent officer with but little previous training.

58. A short experience of the new system established the fact that it was impossible for the surveyors to keep pace with the work of the contemplated check, and it was pointed out that in the Inland Revenue the same work had been for years and was still done by the supervisors, who in their scales of pay approached much more nearly to the 1st class examining officers than to the surveyors.

In 1882 the scales of pay of the supervisors were as follows:—

	£	£
Supervisors, 1st class - -	280 to	320
„ 2nd „ - -	230 to	270
		£
Mean of 1st class - - - -		300
„ 2nd „ - - - -		250
„ both classes - - -		2)550
		275

Salary of 1st class examining officers, 220*l.* to 300*l.*
Mean salary, 260*l.*

Acting, therefore, on the advice of an officer of long experience in the warehouse accounts, who also was one of the officers who had advised the original classification, the Board in July 1882 reduced the check of the surveyors to 10 per cent. on the entries for tea, coffee, and cocoa, but left to them the full check on such high duty goods as wine, spirits, and tobacco. The detail check on the low duty goods has since that date been assigned to 1st class examining officers as their regular duty; they initial the documents in their capacity as examining officers and not as acting "pro-surveyor," as stated by the officers; the latter signature is only allowed when an examining officer is filling the place of a surveyor absent on leave or from sickness.

59. It may be here stated that in carrying out the new system at Liverpool and the out-ports the same rule was adopted with the approval of the Treasury.

60. As the detail check over the warehouse accounts was thus placed in the hands of officers whose scale of pay was very similar to that of the supervisors in the Inland Revenue, it may be useful to describe the duties which it is understood that a supervisor has to perform.

That officer is responsible for—

(1.) The survey of distilleries and breweries and the collection of all the Excise revenue in his district.

(2.) For the assessment of the license duty on public-houses and private brewers.

(3.) The checking of the stock of stamps in the hands of the distributors.

(4.) The conduct of, or responsibility for, the conduct of all proceedings of Excise officers before magistrates.

(5.) The discipline of officers within his district.

(6.) The examination of all warrants and books connected with the delivery of spirits from distilleries.

(7.) The checking of the warehouse accounts.

(8.) The conduct of all correspondence direct with the Board of Inland Revenue on questions of revenue within his district.

61. But there is also an important difference between the positions of a supervisor and an examining officer when checking the warehouse accounts.

The supervisor, as to warehouse accounts, is subject only to the occasional check of a travelling inspector, while in the Customs the proceedings of the examining officer are subject to the fixed check mentioned in paragraph 58.

It is, moreover, to be observed that in London and Liverpool the books are liable to a test check not less than once a month by the inspector of the district, and that the computations on every warrant under which dutiable goods are delivered at any of the ports are finally checked in the office of the Accountant and Controller General.

62. It will thus be seen that there is a more complete check over the proceedings of the examining officers employed on the delivery of dutiable goods warehoused than would appear from the evidence tendered to the Commission, whilst a supervisor in the Inland Revenue has a much wider range of responsibility in his every-day duty than an examining officer employed on warehouse duty.

63. It is held, therefore, that when an examining officer of the 1st class is performing the duty of checking warehouse accounts he is performing duty proper to his rank and not that of a higher grade, and that consequently no compensation is due to him "for his increased responsibility" as is claimed by the officers. Furthermore, the practice now in operation of requiring the senior 1st class officer on a station (if he is capable) to take without additional remuneration the place of the surveyor when that officer is absent on leave or sickness is similar to that which prevails generally in all other branches of the Civil Service, and there is no valid reason why any exception should be made in the Customs to this general practice, or why the old order of things should be reverted to for the sake of affording promotion to the officers.

Reduction in the Number of Surveyors.

64. The proper allocation of the "checking" duty led at once to the reconsideration of the number of surveyors requisite for the port of London, and the decision of the Board to divide the port into districts and place each district under an inspector, made this reconsideration the more necessary and the more frequent, as it was known when the districts were established that a reduction in the number of surveyors would almost inevitably follow.

65. The inspectors, being held responsible for the business within their districts, are required at the end of each year to send in to the Board the number of officers of each rank which they consider necessary for the proper working of their respective districts during the succeeding year, and the number submitted is almost invariably sanc-

Remarks on Evidence and Memorials.

tioned with little or no alteration. In this submission they are required to state the stations at which they consider 1st class examining officers should be placed.

66. It is in consequence of this systematic arrangement of the business of the port that the reductions of which the officers complain have been effected. These reductions have made officers redundant in their respective classes and so checked promotion, but it is evident that no other course could properly have been taken by the Board in the public interest. It is fully due, however, to the officers to state that while they admit that the new system "has "secured their co-operation, but not their goodwill," they have continued to discharge their duty carefully and efficiently.

These Reductions held to be a "Breach of Contract."

67. In reply to question number 25,540, the officers complain of these reductions "as a breach of contract," but it is a well understood rule in the Public Service that an officer has no legitimate claim to a higher scale than that of the class he may be in. Promotions can only be regulated in accordance with the requirements of the Public Service; and it cannot be admitted that reductions in offices which are not required are "unjust" to any grade of officer in the Public Service. It is also stated, in reply to the same question, and in support of the "breach of contract" theory, that many of the clerks who "came out" had the option of being transferred to other departments or of accepting the position they did in the out-door department. Such was not the case. As a matter of fact, the Treasury was strongly in favour of a system of transfer and did its best to carry it out, but absolute failure resulted, and on an appeal to the Treasury on the subject the Board were informed that "with senior men transfers "to other departments were not easy to effect, and they "could not undertake to impose them in cases where they "met with determined objection from responsible heads of "departments"; and that this was well known to the clerks in question is proved by their memorial to the Treasury of 13th March 1882, which commences with the statement "that it was understood that the only terms "open to them were acceptance of the out-door service or "retirement on pension"; and this was the choice which had to be finally given to a considerable number of those who "went out."

Appointment of Clerical Officers checked Promotion.

68. As to the complaint made in answer to question number 25,534, that the clerical officers were young, and therefore brought with them into the out-door department no prospective and early vacancies which would cause promotion, it is to be observed that in all cases of amalgamation the older officers are generally pensioned off, and that, in consequence of the men who are left being mostly of the same age, promotion is for a time necessarily checked.

SERVICE SCALE OF PAY.

69. The officers submit in paragraph 4 of their statement, and in answer to question 25,519, that, in consequence of the reductions which have been made, and because their present pay and prospects are not in their opinion adequate to their responsibilities, duties, and hours of labour, their present scale of salaries should be altered and a service scale given, the maximum of which should be 350*l.*, which should be attainable by every officer, provided that a thoroughly satisfactory character is given him by his superior officer. The suggestion that the duties of examining officers of Customs warrant the payment of a salary of from 110*l.* to 350*l.* is not held to be reasonable; many of the duties on which they are engaged being of no more responsible a nature than those which are performed by Lower Division clerks; the general body of examining officers are paid both in London, Liverpool, and the out-ports on a scale of 110*l.* by 7*l.* 10*s.* a year to 220*l.*, and above them there is a body of 1st class examining officers rising from 220*l.* to 300*l.* who are required to take the responsible duties at stations where the more important business is carried on, and to assist in any special duties.

In their evidence, 25,547, the officers state that they would not have made any claim for a new scale of salary if the old scale of the establishment had been kept up; and in answer to the questions 25,519 and 25,555 the claim appears to be advanced mainly on behalf of the officers who "came out." It would seem, therefore, that the claim is not made so much on account of the inadequacy of the present salaries for the work which has to be done as for the loss of the promotion consequent on the reductions which have been made. Reference has been already made in paragraph 67 to what is believed to be the rule in the Public Service as to compensation for loss of promotion and it may be observed that no inducement was held out to clerks who joined the out-door service in 1882 that the classification then given would be permanent. Those officers who had any choice in the matter threw in their lot with the branch of the department which they surmised would be of most advantage to them, and they received at the time immediate increases of salary, varying from 30*l.* to 120*l.* a year.

OBJECTIONS TO SERVICE SCALE.

70. A service scale in the department is not considered advisable in the interests of the public. Though the officers propose a check on an officer's progress through it, viz., "favourable report," it is well known that in practice any such check is not sufficient to prevent incompetent and undeserving officers from rising above their value in a class. In the Public Service, partly perhaps from good nature, and partly perhaps from the fact that what is gain to the officer whose salary is advanced is no personal loss to the officer who recommends it, as it would be in the case of a private employer of labour, it is found that a lenient view of an officer's merits is almost always taken when any question arises as to his claim to an annual increment. A service scale would in fact compel the Board to allow any examining officer who was recommended, it might be, by a lax superior officer, to proceed to 350*l.*—the present maximum of a 3rd class surveyor at the out-ports. Such a system would be almost certain to lead to favouritism and other abuses. Moreover, an officer who is apparently qualified for promotion frequently fails to come up to the expectations formed of him, and is found not to be equal to the efficient discharge of more important duties; sometimes he fails in energy, on account of illness or advancing years; sometimes, after the attainment of the position for which he exerted himself, he becomes slack and indifferent. It is therefore certainly desirable in the public interest that there should be distinct points in an officer's career at which, before he advances to a higher scale of pay, his capacity and conduct should be well weighed by those responsible for the administration of so large a department. The present classification gives the Board this opportunity, and it is very advisable that it should be continued.

17. It is not considered, and in fact, the officers appear to admit it in their answers to questions 25,519 and 25,555, that the present scale of pay of the examining officers is inadequate to the duty they have to perform. Though new duties have been imposed on the department since 1860, the revenue duties which they have now to perform will not compare in importance with those which had to be discharged by the landing officers when a large number of imports were subject to *ad valorem* duties according to quality, or with those which devolved on the water guard when many other articles subject to high duty gave wider scope to the smuggler.

But when *ad valorem* duties were in fashion, out of 147 landing officers in London only 42 were in receipt of salaries in excess of 300*l.*, and out of 70 gaugers only eight received more than that amount, while no water-guard officer (or tide surveyor as he was then called) was in receipt of a salary exceeding 250*l.* a year. It may be observed, too, that in the interval the prices of the necessaries of life have been in the main reduced.

72. The cost of the scheme submitted by the officers, if applied to all of the examining officers, would be as follows:—

There are at present upon the establishment sanctioned by the Treasury for the port of London—

119	examining officers,	1st class.
299	do.	2nd class.
418		

But it is at present proposed to reduce the 1st class of examining officers to 108; the total number of examining officers will then be 407.

The cost of such an establishment on the present scales would be as follows:—

	Maximum. £	£
108 of 1st class -	- 300 -	- 32,400
299 of 2nd class	- 220 -	- 65,780
		£98,180

	Minimum. £	£
108 of 1st class	- 230 -	- 24,840
299 of 2nd class	- 110 -	- 32,890
		£57,730

Mean.

	£	£
108 of 1st class	- 265 -	- 28,620
299 of 2nd class	- 165 -	- 49,335
		£77,955

73. In the summary of their statement on page 7, paragraph 1, the examining officers ask for an establishment rising from 110*l.* by 10*l.* per annum to 350*l.*, subject to a proviso that only capable officers should rise beyond 220*l.* For the purposes of any calculation it is assumed that *all* would be declared capable, there being no means of ascertaining the number of those who might be reported as "incapable." An establishment on this scale would cost:—

Maximum.

	£
407 officers at 350*l.* - - -	142,450

Minimum.

	£
407 officers at 110*l.* - - -	44,770

Mean.

	£
407 officers at 230*l.* - - -	93,610
or an increase, at mean salaries, on the present establishment of - -	15,655

74. But this method of comparison does not fully show the increased cost of the scheme, as it takes no account of the difference of increment (the scheme substituting an increment of 10*l.* for one of 7*l.* 10*s.*) during the early years of an officer's service in the grade of examining officer.

75. The following table shows the salary receivable by an officer in each year of service on a class rising from 110*l.* to 350*l.*, with increments (*a*) of 7*l.* 10*s.* for 16 years, and 10*l.* afterwards, or (*b*) of 10*l.* throughout.

Year.	With Increments of 7*l.* 10*s.* and 10*l.*	With Increment of 10*l.*	Gain to Officer.
	£ *s.* *d.*	£	£ *s.* *d.*
1st - -	110 0 0	110	—
2nd - -	117 10 0	120	2 10 0
3rd - -	125 0 0	130	5 0 0
4th - -	132 10 0	140	7 10 0
5th - -	140 0 0	150	10 0 0
6th - -	147 10 0	160	12 10 0
7th - -	155 0 0	170	15 0 0
8th - -	162 10 0	180	17 10 0
9th - -	170 0 0	190	20 0 0
10th - -	177 10 0	200	22 10 0
11th - -	185 0 0	210	25 0 0
12th - -	192 10 0	220	27 10 0
13th - -	200 0 0	230	30 0 0
14th - -	207 10 0	240	32 10 0
15th - -	215 0 0	250	35 0 0
16th - -	222 10 0	260	37 10 0
17th - -	230 0 0	270	40 0 0
18th - -	240 0 0	280	40 0 0
19th - -	250 0 0	290	40 0 0
20th - -	260 0 0	300	40 0 0
21st - -	270 0 0	310	40 0 0
22nd - -	280 0 0	320	40 0 0
23rd - -	290 0 0	330	40 0 0
24th - -	300 0 0	340	40 0 0
25th - -	310 0 0	350	40 0 0
26th - -	320 0 0		650 0 0
27th - -	330 0 0		Total gain to officer in 25 years, or 26*l.* per annum.
28th - -	340 0 0		
29th - -	350 0 0		

76. It will be seen from this table that with the present rates of increment an officer would attain the proposed maximum in his 29th year of service, but that the 10*l.* increment *throughout* would enable him to reach it in 24 years, and the difference of salary received by him up to the end of the 25th year, when he had been one year at the maximum, would amount to 650*l.*, being an average difference of 26*l.* per annum. To make, therefore, a fair comparison between the present establishment and the proposed scheme it becomes necessary to add to the increase in mean salaries the sum of 26*l.* per annum for each officer, or a total of 10,582*l.* per annum for the whole scheme. This brings the mean increase up to 26,237*l.* per annum for the 407 examining officers of the port of London, but any such scheme could not be limited to London, but would have to be also applied to the 446 other examining officers at Liverpool and the out-ports.

The estimated cost as given above is calculated on the number of examining officers who, so far as is at present known will be on the establishment when the class of assistant examining officers is filled up; if the scheme was brought into play at the present time, and before that class is filled up, it would apply to a considerably larger number of 2nd class examining officers, both in London, Liverpool, and the out-ports.

Proposal to limit the New Scale of Pay to those who "came out."

77. With reference to the proposal to raise the scale of salary to 350*l.*, but to limit it as suggested by the officers to those who "came out" (*see* 25,555), it is to be observed—

(1.) That in 1880, when the Playfair scheme was introduced into the department, the Treasury permitted a number of the redundant 2nd class clerks, on certain conditions, to advance to 340*l.*, the maximum of the old 1st class of clerks, and this privilege was carried with them by the redundant clerks who accepted service in the out-door department as 1st class examining officers.

(2.) That in 1882, in framing the new out-door staff, 58 new places on the 1st class of examining officers were created, and 208 new places on the 2nd class. Of the 58 places 32 were filled by redundant clerks, and of the 208, 37 were filled by Lower Division clerks, and 6 by out-port clerks, total 43.

(3.) That of the 32 redundant clerks who became in June 1882 1st class examining officers, 8 have already been promoted to be surveyors, and 16 out of the remaining 24 are already rising to the maximum of 340*l.* referred to in No. 1, but of the 43 Lower Division and out-port clerks who became 2nd class examining officers none have been as yet promoted.

(4.) That each redundant clerk and out-port clerk who joined the out-door service received an immediate addition to his salary of 30*l.*, on account of the increase in their official hours when employed in the warehouses, and their *liability* to be on duty from 6 a.m. to 6 p.m when employed on waterguard or landing duty. The Lower Division clerks did not receive any "bonus," but "went "out at salaries not less than the minimum of "the class to which they were posted or less than "the salaries they were receiving" as Lower Division clerks plus any portion of the triennial increment which they were held to have earned.

(5.) That while it takes a Lower Division clerk in a seven hours' office 36 years to attain the maximum of 250*l.*, which is the highest salary to which he is entitled to progress, the Lower Division clerks who went out will reach 220*l.*, the maximum of a 2nd class examining officer, in 16 years.

It appears, therefore, that the majority of the redundant clerks who "went out" as examining officers, and have not as yet obtained promotion are already on a scale very similar to that which is asked for, and though promotion may not have equalled their expectations it can hardly be said that any of these officers have as yet had cause to complain. Nor would it appear that the Lower Division clerks who went out have cause to complain considering the advantages they gained by being permitted to join the out-door service.

Stagnation in Promotion.

78. All classes of officers complain of the stagnation in promotion caused by the changes made in 1882–83.

The following tables show the number of promotions made to each rank in the service during each of the years from 1878 to 1888 inclusive. It can hardly be maintained after an examination of these tables that promotion has been checked in any remarkable degree since 1881–82, when the years of "plenty" are supposed to have ceased and those of "famine" to have commenced.

Remarks on Evidence and Memorial.

OUT-DOOR DEPARTMENT.

NOTE.—The number of appointments made from *the Clerical Staff* on the introduction of the assimilated Customs and Excise warehousing system (1882–84) *is not included* in these Returns.

RETURN SHOWING THE NUMBER OF PROMOTIONS MADE FROM 1878 TO 1888 INCLUSIVE, AS COMPARED WITH THE NUMBERS ON THE CLASS OR RANK FROM WHICH THE PROMOTIONS WERE MADE.

I.—NUMBER of PROMOTIONS made from INFERIOR OFFICERS to EXAMINING OFFICERS or GAUGERS, 2nd Class. From 1886–1888 the number of Assistant Examining Officers (a new Class introduced in 1886) is included.

—	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.
Number of Out-door Officers	*700*	*700*	*700*	*700*	*700*	*560*	*560*	*542*	*517*	*514*	*514*
London	16	7	7	17	192	19	32	9	41*	26*	11*
Number of Out-door Officers	*324*	*324*	*324*	*324*	*324*	*324*	*296*	*299*	*268*	*256*	*256*
Liverpool	13	12	5	12	8	26	8	2	11*	10*	2
Number of Out-door Officers	*1,094*	*1,094*	*1,094*	*1,094*	*1,094*	*895*	*780*	*732*	*710*	*654*	*599*
Out-Ports	29	18	9	30	26	37	31	16	49*	58*	5*
Total number of Out-door Officers.	*2,118*	*2,118*	*2,118*	*2,118*	*2,118*	*1,779*	*1,636*	*1,578*	*1,495*	*1,424*	*1,369*
Total number of promotions made to rank of Examining Officer or Assistant Examining Officer.	58	37	21	59	226	82	71	27	101	94	58

II.—EXAMINING OFFICERS and GAUGERS, 2nd Class, promoted to the 1st Class.

The number of Assistant Examining Officers is not included in the italic figures, as promotions are not made to the 1st Class of Examining Officers from that rank.

—	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.
Number of Examining Officers and Gaugers, 2nd Class.	*222*	*222*	*222*	*222*	*222*	*430*	*430*	*430*	*408**	*302**	*302**
London	8	4	8	4	40	5	12	3	18	8	2
Number of Examining Officers, 2nd Class.	*114*	*114*	*114*	*114*	*114*	*114*	*150*	*151*	*136**	*92**	*93**
Liverpool	5	3	6	—	5	18	3	—	2	2	3
Number of Examining Officers, 2nd Class.	*379*	*379*	*379*	*379*	*379*	*365*	*385*	*395*	*371**	*228**	*225**
Out-Ports	7	7	3	3	5	18	13	4	9	6	1

III.—NUMBER of EXAMINING OFFICERS or of GAUGERS, 1st Class, promoted to the rank of 3rd Class Surveyor or Assistant Surveyor.

—	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.
Number of Examining Officers or Gaugers, 1st Class.	*62*	*62*	*62*	*62*	*62*	*120*	*120*	*120*	*120*	*120*	*120*
London	4	5	5	1	8	2	—	2	4	4	1
Number of Examining Officers, 1st Class.	*33*	*33*	*33*	*33*	*33*	*33*	*43*	*43*	*38*	*38*	*38*
Liverpool	1	2	1	—	4	2	3	—	—	1	3
Number of Examining Officers, 1st Class.	*66*	*66*	*66*	*66*	*66*	*66*	*80*	*80*	*81*	*81*	*74*
Out-Ports	1	1	1	1	4	11	8	—	10	5	1

IV.—NUMBER of SURVEYORS, 3rd Class, or ASSISTANT SURVEYORS, promoted to 2nd Class of Surveyors.

Second Class and Assistant Inspectors of Gaugers are in this Return considered of rank equivalent to Surveyors, 3rd Class.

—	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.
Number of Surveyors, 3rd Class, or Assistant Surveyors.	*27*	*27*	*27*	*27*	*27*	*40*	*39*	*37*	*37*	*33*	*33*
London	3	4	3	—	11	2	1	2	2	3	2
Number of Surveyors, 3rd Class.	*7*	*7*	*7*	*7*	*7*	*7*	*10*	*10*	*8*	*8*	*8*
Liverpool	—	2	—	—	2	3	3	—	—	1	3
Number of Surveyors, 3rd Class.	*13*	*13*	*13*	*13*	*13*	*13*	*16*	*20*	*18*	*18*	*19*
Out-Ports	1	—	1	—	3	7	2	1	7	3	3

V.—Number of Surveyors, 2nd Class, promoted to 1st Class.

Inspectors of Gaugers of the 1st Class are in this Return considered of equivalent rank to Surveyors, 2nd Class.

—	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.
Number of Surveyors, 2nd Class.	*12*	*12*	*12*	*12*	*12*	*20*	*20*	*20*	*20*	*17*	*17*
London	—	1	—	—	7	2	4	—	3	4	—
Number of Surveyors, 2nd Class.	*6*	*6*	*6*	*6*	*6*	*6*	*6*	*7*	*5*	*5*	*4*
Liverpool	—	1	—	—	1	1	1	—	3	—	—
Number of Surveyors, 2nd Class.	*13*	*13*	*13*	*13*	*13*	*13*	*13*	*13*	*14*	*14*	*13**
Out-Ports	1	—	1	—	1	2	1	—	4	1	—

* *Including Tyne Inspectors.*

VI.—Number of Surveyors, 1st Class, promoted to be Inspectors.

The Principal Inspector of Gaugers is in this Return considered of equivalent rank to a Surveyor, 1st Class.

—	1878.	1879.	1880.	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.
Number of Surveyors, 1st Class.	*7*	*7*	*7*	*7*	*7*	*15*	*13*	*13*	*12*	*10*	*10*
London	—	1	—	—	4	3	—	—	4	4	2
Number of Surveyors, 1st Class.	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*	*3*
Liverpool	—	—	—	—	—	—	—	1	1	—	—
Out-Ports	(No inspectors at out-ports.)										

Statements as to Duties performed by Examining Officers.

79. Some of the statements made in the memorandum by the officers as to their duties are inaccurate and (in some cases) rather misleading, as they would lead to the supposition that the officers are responsible without supervision. Such is not the case. The check which is exercised over officers employed on import gauging and the delivery of goods from the warehouses will be dealt with under the heading of alleged "insufficiency of control." As regards the statistics, all that is required of an examining officer is to see that on the entry the quantities and values stated have some fairly reasonable and probable relation to each other. The real check is applied later on in the statistical office when the statistics are compiled.

There are but two ports, London and Liverpool, at which gold and silver plate can be examined for exportation, and the examination for drawback is conducted in the presence of a surveyor.

The statement that the officers analyse beer, test spirits for obscuration, and wines, and liqueurs, and preparations containing spirit for alcoholic strength, would lead to the supposition that this was a duty of common occurrence among the officers. As a matter of fact, these duties are performed in the laboratories, in which in London 12 officers are employed.

As regards the operation of the Wine Act of 1888, the officers cannot pass any claim for the admission of wine at the lower rate of additional duty without the sanction of the Board; they have no discretion whatever given them on this point, their duty being confined to reporting facts.

General Duty.

80. In their statement to the Commission, paragraph 5, the officers refer to the fact that efficiency in all the four principal divisions of the service, viz., waterguard, landing, gauging, and warehousing, is now requisite to ensure promotion.

It is considered by responsible practical officers that the difficulties in connexion with the interchange of duties have been greatly magnified by the officers in their evidence. It enables officers to fill any post on an emergency (an advantage which will be easily recognised), and it fits them for the superior positions to which, without such interchange of duties, they could not expect to aspire. Equal efficiency in all four divisions of the service is not expected; but a competent knowledge of all four is required.

These four divisions of the service were formerly separate. They were gradually rolled into one, and, as a necessary consequence, a knowledge of the duties of all four is now required from the officers. But, as stated to the Commission in one of the memoranda put in by the Board on the subject of amalgamation of the two Revenue departments, a "good all-round officer is the exception and not the rule," and this fact was urged against the idea that in an amalgamation of the two departments the officers of each could adequately master the business of both departments. In practice, therefore, the Board, while adhering as far as possible to the requirement as to general efficiency, are unable strictly to keep to it. When the clerical officers were appointed in 1882 to the out-door service it was decided by the Board, with the cognisance of the Treasury, "that no officer employed on clerical duty should "be promoted unless he qualified himself for all the duties "of his office." In order, therefore, to give facilities to the clerical officers who desired to learn the out-door duty and so bring themselves into the line for promotion, they were allowed to acquire a knowledge of landing and gauging duties in the manner to which attention is drawn by the officers in answer to questions No. 25,522, &c., and being men of some capacity they have obtained knowledge sufficient in several cases to justify their promotion. No other course would have been fair to these officers, though it may not have been satisfactory to the old landing and gauging officers inasmuch as this infusion of new blood brought into the field a considerable number of intelligent competitors for promotion.

The statement made in reply to question 25,522 is incorrect, as every out-door officer employed on clerical work was instructed in his duties by the surveyor or 1st class examining officer at the clerical station to which he was put prior to his taking an active part in the duty; and the time of instruction was sufficiently long to enable the officer to perform his duty with fair efficiency; besides, at a clerical station there is a good deal of work which an officer could be put to do within a few hours of his joining the station.

Mode of Promotion.

81. The officers express fear that the alphabetical arrangement of the officers in the different classes may lead to favouritism.

The system under which promotion is made in London to the grades of 3rd class surveyor and 1st class examining officer is as follows:—

The inspectors are desired to send in separately to the Board the names of two or more officers whom they each consider—irrespective of seniority—most deserving of promotion on account of proficiency in all their duties. The inspectors are not restricted in their choice to the officers *at the time* serving under them; they can select from all the officers in the grade out of which the promotions are

Remarks on Evidence and Memorials.

to be made. The names thus sent in are referred by the Board to the Surveyors General, who are in many cases acquainted with the merits of the officers; by them the lists are carefully discussed, and names are finally submitted by them to the Board for selection. At this point, if the merit is reported as equal, the Board allow seniority to prevail; but they also take into consideration any knowledge they may have themselves obtained of the officers from the daily business of the office.

The inspectors are, with one exception, officers who have been trained in the port. They have necessarily, therefore, a personal knowledge of many of the examining officers, and they come, especially in the warehousing business, in much more frequent and close contact with them than the statement of the officers would lead the Commission to suppose.

It would not be easy to establish any system under which favouritism can less make itself felt, and the main fault which the Board have to find with its working is that, from long habit, seniority is still too much considered in the names which are submitted by the inspectors.

The result of the system under which promotions were made more dependent on the surveyors is certainly not such as to induce the Board to attempt its revival.

Whether the Old System should be restored under which there were distinct Classes of Officers for distinct Duties.

82. In reply to question 25,564 the officers express an opinion in favour of the system under which the specific duties of the different branches of the service were formerly performed by specific grades of officers; and they appear to advocate its restoration at the large ports.

The old system undoubtedly had its advantages, especially in the gauging line, but the officers admit that at the smaller ports "all-round duty" is a necessity, and now that promotion has been made general throughout the service, and is made as far as possible by "merit," it would not be easy to carry on the system if in some places the officers were restricted to one line of duty while at others they were able to acquire a wider knowledge of it. Under such a plan the officers at the larger ports who would be experienced in only one line of duty would very soon complain that all the promotion was gained by the officers at the smaller ports, who from the necessity of their position would have gained a wider and more general knowledge of the duties of the department. The old landing officers no doubt view the change of system with dislike, for it has brought in a larger number of competitors for service at the stations where considerable sums are earned at overtime.

As to the warehouse accounts at some of the large ports, especially London and Liverpool, the case is different. These accounts are to a considerable extent purely clerical, and would be better and more rapidly kept by clerks trained for the purpose. While retaining for the out-door department the supervision of the warehouse work it might be advisable that the Board should have authority to introduce such an amount of the purely clerical element in the warehouses as they may consider that the circumstances of each port would justify.

Promotions from the Out-ports to London.

83. In their statement the London officers complain that since 1882 a considerable number of 2nd class examining officers from the out-ports have been promoted to London, while only one similar promotion has been made from London to the outports. This is the truth, but not "the whole truth." It is the case that since 1882 15 2nd class examining officers from the out-ports have been made 1st class in London; and also that two out-port surveyors of the 1st class have been brought to London, where the scale of pay of the surveyors is higher, as 2nd class surveyors; but these last-named officers gained nothing in salary at the time, though their prospects were improved.

On the other hand, two 3rd class London surveyors have been promoted to be 1st class at the outports, and another has recently been made collector at Dundee. Five 1st class London examining officers have been promoted to be 3rd class surveyors at the outports. One 2nd class London examining officer has been promoted to the 1st class at Liverpool, and nine other officers have refused promotion to the outports.

It will thus be seen that though a smaller number of officers have been actually promoted from London, the promotions have been to the *higher class of appointments*; that others have refused promotion; and that if either side has any cause of complaint it is the out-port and not the London officers.

Claim to higher Scale of Salary because compelled to remain in London.

84. In answer to question No. 25,612, the London officers further claim that they should either receive higher pay to meet the expenses of living in London, or some travelling allowance, and they base this on the ground that being desirous of going to out-ports, they are unable to do so.

The claim for travelling allowances will be dealt with separately.

In answer to the statement that they are compelled to remain in London it may be stated that since 1882, as far as they can be traced, only 12 applications have been made by 2nd class examining officers for removal to the out-ports.

Of these—

Four were granted.

One will be granted on a vacancy arising at the port.

Two were refused because the places applied for had been abolished.

Five were refused for reasons considered sufficient.

During the same period nine London officers have refused promotion to the out-ports.

It certainly cannot be asserted with any semblance of accuracy that London officers are anxious for transfer to the out-ports. The reverse is more nearly the case.

Ages and Capacities. Characters.

85. The officers suggest that an officer's character should be fixed by the vote of all the superiors who may have had knowledge of him during some period of his official career, and that if an officer receives an unfavourable character he should be so informed, and an opportunity given him of explanation.

It is presumed that the officers refer to the character given of all officers in the annual return of ages, capacities, and conduct, and to carry out such a plan as that suggested by the officers, even if desirable, would be by no means easy.

By Orders dated 27th June 1884 and 20th February 1888, the collectors and other officers concerned were directed, in reporting upon the officers under their control, to confine themselves to one of the following classes of character:—

A. A zealous and attentive officer, with distinctly superior abilities.
B. Capable and attentive.
C. Not intelligent but attentive.
D. Capable but somewhat inattentive.
E. Not intelligent and inattentive.

The following are copies of these Orders:—

Circular Letter, 36/1884.

Custom House, London,
27th June 1884.

Sir,

The Board have had under their consideration the form of the annual return of the ages, capacities, and conduct of the several clerks and officers of the service issued in their General Order, No. 19/1870, and seeing that some of the information given in that form is unnecessary, and that some particulars thereof are already permanently recorded in the registers kept at head-quarters, the Board have approved of a revised form of return *for transmission* in future, a specimen of which is forwarded herewith, and you are to obtain a supply of this form in the usual manner, observing that the existing form is still to be kept as a complete record at the port for inspection by a commissioner or surveyor general.

In reporting upon the capacities and conduct of the several clerks and officers serving under your control in future, you are to confine yourself to one of the following classes of character, viz.:—

a. A zealous and attentive officer, with distinctly superior abilities.
b. Capable and attentive.
c. Of inferior capacity but attentive.
d. Capable but somewhat inattentive.
e. Of inferior capacity and inattentive.

In assigning the above characters you are to observe the following rules:—

Character *a*. is to be given only of an officer who, in addition to possessing a complete practical knowledge of the various duties of his grade, is conspicuous in point of capability, and can be thoroughly relied on for zeal, energy, and prudence in any emergency.

Character *b*. is to be given only of an officer who, by qualification and conduct, is entirely satisfactory in his present position.

Character *c.* is to be given only of an officer who performs the duties of his present office in a manner which evinces no intelligence, but nevertheless industriously.

Character *d.* is to be given only of an officer whose ability is satisfactory in his present position, but who performs his work carelessly.

Whilst you are to assign one of the above characters to every clerk and officer serving under your control, you are not debarred from adding thereto any special remarks which may in your opinion be absolutely necessary in any particular case.

I am,
Sir,
Your obedient Servant,
E. Goodwyn.

The Collector at

General Order, 19/1888.

Custom House, London,
Sir, 20th February 1888.

The Board having had under their consideration the propriety of the course which in some instances has been adopted of assigning to certain officers—in the returns of character and conduct—the character C. as set out in Circular Letter 36/1884; and it appearing possible that such character may, by misapprehension, be given to officers whose capacity or incapacity has, through no fault of their own, not been proved:—

The Board now direct that the Heads C. and E. of the Circular Letter be altered as follows, viz.:—

Instead of

C. Of inferior capacity but attentive,

that that heading be

C. Not intelligent, but attentive;

and that instead of

E. Of inferior capacity and inattentive,

that heading shall read

E. Not intelligent and inattentive.

I am,
Sir,
Your obedient Servant,
E. Goodwyn.

To the Collector

In practice there is no occasion to take immediate notice of the officers whose characters are given under A., B., and C.; and it is obvious that the officers themselves are not the proper persons to form any opinion on the points to which these characters refer. Officers to whom character D. is given are *always* "cautioned to be more attentive." E. is seldom given.

A. and B. are distinctly considered by the Board when the time comes for making promotions; but so far from any tendency on the part of reporting officers to depreciate character, the Board have frequent occasion to remark on the strong tendency in the opposite direction. On a recent occasion an A. character was given to all, except two, of the 53 surveyors in London—a character which, in some cases, is certainly open to question, and quite lately it was found on further inquiry that an out-door officer at Liverpool, to whom, out of good nature, an A character had been given, required "nursing" in the performance of his ordinary duty. It is suggested by the officers that the Inland Revenue practice should be established, though they were unable to state what it was. On inquiry it appears to be much the same as that described above. The character given to an officer is not communicated to him unless it is necessary for the Board to take some action upon it, in which case the officer is acquainted with the terms of the Collectors' Report, and given an opportunity of making his own explanation. In the case of D. in the Customs the officer is practically informed of his fault by the terms of the caution, and inattention is not a fault which can be "explained" by any remarks of the officer considered guilty of it.

The regulation in the army as to character of officers is not applicable to the Customs Service; the reports in the army evidently enter into much greater detail than those in the Customs. It is clear that as compared with those receiving A. and B., no officer in receipt of C. merits promotion, and the course taken with those receiving D. exactly corresponds with that prescribed in the Army Regulation, that, "if an officer is reported for reasons which "may be removed by amendment, he will be cautioned, "and when more favourably reported on his claims may "be reconsidered."

It would not be advisable to make any alteration in the system under which these annual characters are given except in the direction of greater strictness on the part of the reporting officers.

"Charges" are never preferred against an officer without his being made aware of the particulars and opportunity afforded of defence at first in writing and subsequently at an inquiry in which the evidence is taken on oath. The accused has full liberty to cross-examine the hostile witnesses and to call witnesses in his defence. If the witnesses for the defence are not in the public service any reasonable claim they may make for loss of time is satisfied out of public funds.

It may be added that special reports, which are not confidential, are frequently called for when the conduct of an officer is not satisfactory.

Waterguard Hours.

86. The officers in their statement refer to these hours as "inordinate, and speak of the officers being "employed without sleep" for every alternate 24 hours, the hours of "labour" averaging 75 to 84 a week. The statement is exaggerated, and the terms "employed" and "labour" are misleading. The service should rather be described as "in attendance for such duty as may be required," and it is to be remembered that in London the waterguard duties are mostly dependent on the tide. When on duty for 24 hours the officers are allowed time for meals, and for such rest and sleep as the service will permit, and for this purpose bedding, cooking utensils, &c. are supplied at the public expense. The extent of actual work varies with each station, and it not infrequently happens that at some of them no arrivals take place for 24 hours.

As many of the officers reside at a considerable distance from their duty, the 24 hours' system halves the time and expense in coming from and returning to their homes, and the inspector of the waterguard in London—an experienced officer who has spent his official life on waterguard duty—reports "that the majority of the officers prefer the present system of working."

It is the case that officers have to be "in attendance" on Sundays and Bank Holidays. Vessels have free access to the port on every day throughout the year, and it is obvious that if the Revenue is to be protected the waterguard arrangements must be as continuous as the freedom of access to the river.

These waterguard hours will be found more fully explained in the remarks upon the statements put in by the boatmen, and the question of Sunday duty will be found more fully dealt with in the remarks upon the evidence of the Liverpool examining officer.

Travelling Allowances.

87. The officers claim that they ought to receive a travelling allowance, or a higher rate of pay, than the out-port officers in order to meet the expense to which they are put in reaching the stations at which they are employed; and in support of this claim they state that Victoria Railway Station and Albert Docks, the two extreme stations at which they are employed, lie 14 miles apart.

This statement is only, and perhaps wisely, referred to in the evidence in answer to Question No. 25,585; but it is misleading, as it implies not only that no travelling allowances are at present paid, but also that the officers are employed, to an extent sufficient to make it costly to them, west of the Custom House as far as Victoria Station. As matters of fact, travelling allowances are at present in operation in certain cases, as will be presently shown, and with the exception of the few officers employed on baggage duty at Charing Cross and Victoria, the rest of the stations at which officers are employed west of the Custom House are not half a mile distant from it.

In considering the means of access of the officers to their stations the Custom House is still taken as the centre of duty, and it is held that all officers are bound to live at such a distance only from it as will not interfere with their duty. The network of railways in the East of London, and the residential conveniences which have followed its formation, afford the officers ample opportunity of complying with this condition as regards most of the stations in the docks at which they are employed, unless for their own convenience and comfort they elect to occupy suburban residences at a greater distance.

As to most of the docks, it is considered that the officers have no more difficulty in getting to their stations

Remarks on Evidence and Memorials.

than other civil servants have in getting to their offices, but there are the following exceptions, viz. :—

Victoria Dock,
Albert Dock,
Victoria and Charing Cross Railway Stations,
Mount Pleasant Station,

and in respect of these travelling allowances are paid. In the case of the Victoria and Albert Docks, which are respectively distant five and six miles from the Custom House, travelling allowances have always been paid, and for the last four years have been paid on the following principle :—

The station nearest the officer's residence is taken as the starting point: the residence being assumed to be within a reasonable distance from the Custom House, to which the officer is bound to pay his own way, if the fares from this station to the docks in question exceeds the fares from the station to the Custom House the officer is paid the excess fare. There are minor rules, but the above is the leading principle, and it is considered that it meets any reasonable claim an officer can advance.

Similarly, arrangements are in operation under which the officers employed in connexion with the parcels post at Mount Pleasant, and the few who are detached from it for baggage duty at Charing Cross and Victoria Railway Stations are relieved from any expense they may be put to in reaching their stations beyond what they would be put to in reaching the Custom House.

It has also been the practice, under Treasury Minute of 25 June 1881, to allow officers who have to attend at the docks or stations in London before 6 a.m., or who have to return home after midnight, the following allowances for cab-hire—

	s.	d.
Surveyors - - - -	5	0
Examining officers - - -	3	0
Out-door officers - - -	1	6

and the officers claiming this cab-hire are not required to prove the expenditure of all or any part of it; the rates were graduated owing to the fact that officers of superior rank usually reside at greater distances from their work than out-door officers.

It has been already stated that the London officers are, as a rule, unwilling to accept transfer to the out-ports. It must, therefore, be assumed that either residence or service in London carries with it greater advantages than service at the out-ports, and there seems no sufficient reason why this claim of the London officers should be admitted.

Insufficient Supervision and Control.

88. In paragraph 22 of their statement the officers allege that the existing supervision is insufficient, and in support of this statement they assert—

(1) that the stock-taking in 1885 was a failure;
(2) that the staff employed on waterguard and rummage duty is insufficient;
(3) that officers employed on gauging duty are insufficiently controlled; and
(4) that operation floors are insufficiently controlled.

These would be serious allegations if well founded, or shared in by the responsible officers of the port.

It is presumed that the officers compare the present system with that which existed previous to 1882.

Stock-taking in 1885.

89. Many errors and discrepancies were, no doubt, brought to light at that time, but they were attributable mainly to the great changes made in the warehousing system in 1882, and to the novelty of the duties which many of the officers had to perform during the earlier working of the system. The improvement in the manner the warehouse registers are now kept is shown by the few errors which are now found, as compared with an earlier period, by the itinerant officers whose sole duty it is to challenge the stock in the warehouses.

It may be observed that the stock-taking in 1885 was complete in all cases in which the quantities in a warehouse were of manageable dimensions; but it was intentionally, only partial in those cases in which it was practically impossible to verify every detail except at immense inconvenience to the merchants interested in the stock, and at a cost to the public greatly disproportionate to the result; but the control was sufficient.

Insufficiency of Staff employed on Waterguard and Rummage Duty.

90. On this point the following opinion, given by Mr. Hinks, the experienced head of the waterguard in London, in answer to the observations of the officers, is submitted for the consideration of the Royal Commission :—

"There are 49 crews, numbering 150 men, available for rummaging duty; of which 43 crews, numbering 130 men, have this as their first duty. It is true that occasionally, after foggy or stormy weather, we have large fleets of arrivals, and our staff for a few hours are severely taxed; but we do not consider it imperative, indeed it is impossible, to rummage every vessel immediately on arrival. After the crews' and passengers' baggage have been passed, stores enumerated, addressed packages secured or sent to the baggage warehouse, and engine spaces allowed to cool down, our rummage and re-rummage crews can attack the craft in detail. Sometimes three or four crews are brought to bear on a large steamer at one and the same time. Formerly, ships in the lower river were only subjected to rummage for eight hours out of the 24; now the work is continuous, and steam launches, re-rummage crews, and detective staffs are pressed into the work of detection. The question arises, What is the test of efficient rummage? If the number of detections, they have risen from 350 in 1882 to 1,000 per annum, and the nature of these will show how exhaustive, as a rule, the search has been.

"The responsibility for the vague statements contained in the memorandum must be laid to the door of officers who have no practical knowledge of waterguard duties and never did a day's rummage.

"I am of opinion that, with a due regard to efficiency and economy, the waterguard staff of the port is fully equal to the amount and importance of the duties to be performed."

91. The test suggested by Mr. Hinks, when applied to the waterguard at all the ports, gives the following results. The total number of seizures at all the ports, including London, in each year since 1880 have been as follows :—

Year ending 31st March.	Seizures of all Sorts.	Seizures of Tobacco and Spirits.
1880 - - -	1,642	1,421
1881 - - -	1,391	1,265
1882 - - -	1,698	1,540
1883 - - -	1,799	1,601
1884 - - -	2,238	2,110
1885 - - -	2,698	2,445
1886 - - -	2,641	2,426
1887 - - -	2,577	2,344
1888 - - -	2,880	2,477*
1889 - - -	5,000	4,009*

Exclusive of seizures of cigars and spirits under the Merchandise Marks Act, 1882.

In the port of London, to which, of course, the evidence more immediately refers, the seizures during the same period has been as follows :—

Year ending 31st March.	Seizures of all Sorts.	Seizures of Tobacco, Cigars, and Spirits.
1880 - - -	335	296
1881 - - -	262	231
1882 - - -	299	253
1883 - - -	413	357
1884 - - -	605	558
1885 - - -	871	808
1886 - - -	890	823
1887 - - -	1,002	905
1888 - - -	1,066	868*
1889 - - -	1,786	1,188*

* Exclusive of seizures of cigars and spirits under the Merchandise Marks Act, 1887.

It is maintained that these figures speak well both for the system in force and for the activity of the officers who carry it out, and though it is hoped that many improvements may yet be effected in this branch of the service, it is believed that it is now in a more efficient condition than it ever was before.

Insufficient Control of the Gauging Duty.

92. The following is a memorandum by one of the Surveyors General on this subject:—

"Previous to that date (1882) one in eight of imported casks of wine and spirits was checked by the inspectors of gaugers, and no entry, however small, escaped the check.

"The same number are checked by the surveyors under the present system.

"Previous to 1882 casks re-gauged were checked by the inspectors of gaugers in the case of wine when the deficiency found by the examining officer amounted to two gallons or more, and in the case of spirits when the deficiency amounted to two gallons of proof spirits.

"Under the present system this practice is followed by surveyors, as directed by paragraph 190 of the Code.

"The accuracy of the examining officers' clerical work is now checked or tested on the same or the following day. Previous to 1882 such work was, to a great extent, unchallenged until the balancing or closing of the account. The present system provides more supervision than existed previous to 1882."

Insufficient Control of Operations and Floors.

93. The Surveyor General to whom this question was referred reports as follows:—

"The supervision of operation floors in Customs Bonded Warehouses is not complete in the sense of there being an officer standing over an operation until it is finished. The floors are sometimes in charge of an out-door officer, but the supervision of the examining officer is occasional, and that of the surveyor at intervals. The regulation contained in the Code, paragraph 316, is that operations must not be performed except in the presence of an officer whose attendance while operations are actively proceeding must be continuous; but this has not for many years been the practice, a general supervision being deemed sufficient.

"In large warehouses it is not unusual for an officer to be called upon to superintend several operations actively proceeding at the same time and on different floors or portions of a warehouse. To put an officer in charge of every operation in bond would be, I consider, unnecessary; and, provided the officer in charge of an operation floor makes frequent rounds of inspection at irregular times, and is visited at intervals by his surveyor, I think that all the necessary supervision is given, even though there may be several operations in active progress on the floor or floors in question. It is to be observed that in every case the operation is controlled by the prior and subsequent accounts, and, in my opinion, the visits of the officers and the evidence of the accounts afford ample protection to the Revenue. It is estimated that in order to afford constant supervision over every operation in the Bonded Warehouses in London 69 additional out-door officers would be necessary; the cost of such a staff, for whom employment could frequently not be found, would be out of all proportion to the result.

"H. S. Worsfold."

Collectorships of Customs.

94. The officers claim that the collections should be thrown open to the out-door department.

A London surveyor has been recently appointed collector at Dundee, and in cases where such appointments may be desirable in the interests of the public service, the Board are quite prepared to make them.

Unhealthy Offices.

95. In the statement sent in to the Commission the officers state that on gauging duty a great part of the work is performed in damp, badly-ventilated warehouses and underground vaults, where the air is vitiated with noxious gases and where artificial light is in constant use, much to the detriment of the health and to the injury of the eyesight of the officers employed, and that many of the clerical offices are unfit for occupation. This statement is repeated in the evidence in answer to question No. 25,578.

As to artificial light, it is a necessary consequence of the underground stowage which, for wines and spirits, the merchants usually prefer to the drier stowage obtainable above ground. It cannot be said to be good for eyesight, but it is not *per se* considered prejudicial to health as the relief afforded by change of stations is sufficiently frequent.

On inquiry it is found that at three stations, viz.:—

All Hallows vaults—staff, five officers,
Trinity vaults " "
Tower Hill vaults " "

the vaults are badly ventilated and prejudicial to health, and that at two, viz.:—

Regent's Park Canal, and
Shadwell Pier,

better arrangements require to be made. The proprietors of the three vaults have been called upon to remedy the cause of complaint; and at Shadwell Pier the Dock Company have been called on to improve the drainage. At Regent's Park Canal there need be no difficulty in improving the accommodation.

All the tea accounts have now been transferred back to the Custom House, and the complaints made in 1886 have been thus remedied.

It is to be observed that with one exception, and in that case the evil at the time complained of was remedied, the unsanitary condition of the five offices above referred to had not been brought to the notice of the Board in any report of the responsible officers.

The condition of the offices in which Customs work is performed is now more satisfactory than at any previous period, as steps have been taken to remedy abuses whenever they have been officially brought under notice. Nearly all the modern vaults are fairly supplied with light and air, and it is not believed to be detrimental for an officer to work in them during the limited time he is required to do so. This time is of necessity comparatively short, as the actual gauging is in most cases performed on the top floor of the vault, which is level with the street, or on the ground floor of a warehouse adjoining it.

LONDON SURVEYORS.

96. The surveyors commence their statement by referring to the large number of reductions in their grade which have been made since 1882, and to the relegation to the first class examining officers of much of the warehouse work which it was considered ought to be performed by surveyors.

97. The reasons which led to these changes have been fully stated in dealing with the evidence of the examining officers: they certainly were not made for the reason "supposed" by the surveyors, viz., "on account of statements "put forth on behalf of the members of the Excise de-"partment representing their rate of pay as inferior to "ours," and it may be observed that, in admitting that the supervisors of Excise should not be compared with surveyors, but inferentially with examining officers, the surveyors practically justify the course which was taken in relegating to examining officers duties which, in the Excise, are performed by supervisors.

98. It is stated that surveyors are called upon to act as inspectors. This is only the case when the inspector is absent on leave or sickness, and the present number of first class surveyors is more than sufficient to meet such cases. The fact is referred to, that on the Gravesend station there are about 200 officers with only one surveyor between them and the inspector of the waterguard. It has already been explained, in paragraph 65, that the staff in a district—including the surveyors—is settled each year in accordance with what the inspector states to be its requirements; and the comparative efficiency of the waterguard system points to the conclusion that more surveyors are not required in this branch of the London service.

99. The surveyors ask—

A. For abolition of classification.
B. That the maximum salary of the rank should be raised to 600*l.*
C. That compensation should be given for loss of promotion.

The claims advanced at A. and C. have been dealt with in the remarks upon the evidence of the examining officers, in paragraphs 67 and 70, and the reasons there given apply with equal, if not stronger, force to the grade of surveyors.

As to B. there are at present in London, at Liverpool, and the outports, 101 surveyors, arranged in three classes, but the scale of the classes varies, especially at the outports, where the minimum of the third class is 300*l.*, as against 350*l.* in London and Liverpool. The mean cost of the salaries of these 101 officers is at present 40,530*l.* a year.

Remarks on Evidence on Memorials.

If the classes were abolished and a scale of salary granted rising from 300*l.* to 600*l.*, the mean cost would be 45,450*l.*; if the scale of salary was made 350*l.* to 600*l.*, as would probably have to be the case (as there is no reason now why the salaries of the outport surveyors should be different to those in London and Liverpool), the mean cost would be 47,975*l.*, or 7,445*l.* in excess of the present mean cost.

It is not considered that the present maximum of the first class in London and Liverpool is insufficient.

H. Murray.

LIVERPOOL OUT-DOOR OFFICERS.

100. There are several subjects, such as—

1. The acting system;
2. Insufficiency of salary and annual increment;
3. Loss of prospects by reduction of higher appointments;
4. Mode in which annual character is given;
5. The out-port clerkships, &c.,

which have been already fully dealt with in the remarks made upon the evidence given by the London officers and need not be again referred to; but there are points which the Liverpool officers specially noticed.

Boarding Duty.

101. The officers complain of this duty and wish to have it transferred to naval pensioners: but it is one of the main requirements of an out-door officer and one as to which full notice was given him by the Civil Service Commissioners at the time he entered the service. The following is the notice which every officer receives before competing for entry into the Service:—

"Extract from Memorandum issued by the Board of Customs.

"An out-door officer of Customs at any port of the kingdom is an officer who, amongst other matters, is required to perform duty in rowing boats, *or on the river or elsewhere in guarding vessels*, or to assist his superior officer in rummaging vessels *when required*, in order to discover contraband goods, to do duty in the docks as a patrol to guard vessels lying therein, or in the bonded warehouses to deliver packages of goods and to lock and unlock the premises night and morning.

"The hours during which the out-door officers in London are employed vary according to the nature of the duties. When employed on the river their hours *are very uncertain, being continued frequently night and day*, and sometimes for a considerable period. When employed in the bonded warehouses their hours are, from March to November, 8 a.m. to 4 p.m., and during the remaining months 9 a.m. to 4 p.m.

"The general duties of an out-door officer are as above described, but he will be expected to perform also any work which may be *required of him by the exigencies of the Service.*"

Title of Out-door Officer and his Duties.

102. The title of "out-door officer," as applied to the lower grade in the service, is of comparatively recent date, and it will be as well to point out here the duties which were covered by the term when it was introduced.

There were, till recent years, employed in the Service—

1. Tide-waiters, viz., officers whose hours of duty depended very much upon the time at which the tide enabled ships to approach a port, and who were boarded on the vessels as they came up from the boarding stations.

2. Boatmen or watermen who rowed in the boats and rummaged the ships on their arrival.

3. Lockers, viz., officers who unlocked or locked the bonded warehouses and exercised a check by package over the goods received into and delivered from the warehouses.

4. Weighers, viz., officers who weighed dutiable goods, that is, placed the weights in the scales and called out the result to the landing waiter or (as he is now called) examining officer.

The boatmen still form a separate class, but, so far as the duties, formerly done by lockers and weighers, have still to be performed, they are done, or are liable to be done, by the out-door officers, and the duties of the tide-waiter remain *as the ordinary and proper work of an out-door officer;* when so employed the hours of these officers are, as formerly, uncertain both as to time and duration.

The officers, on joining the Service, are usually placed at once on this duty, in London for three years, in Liverpool usually for two, and at other ports according to circumstances. As to the duration of the service the Liverpool officers have therefore no cause to complain.

103. It is necessary that officers should, for the protection of the revenue, sometimes be boarded upon ships arriving from foreign parts for periods of 48 hours and over, but it is a fallacy to suppose that during this time the officers are continually on the watch and have no time for rest or refreshment. Officers thus employed are generally boarded in twos, and the time they are continuously on duty during each period of 24 hours cannot ordinarily exceed 12.

When an officer speaks of being 40 hours on duty, he means that he has with another been boarded on the ship for that time, and that only three hours' *leave of absence from the vessel* had been given him. Out of this 40 hours, however, there must be taken, in addition to the three hours' leave, the time occupied for meals and sleep. On Sundays the officers have an extra allowance of 1*s.* if required for duty on that day. 25,786.

104. The out-door officers do not deny their liability to this boarding duty, and they cannot do otherwise than admit that they knew when they entered the Service that they would have to perform it. Finding, however, on experience that it is monotonous and irksome they seek to get it transferred to pensioner boatmen whom they appear to regard as a class inferior to themselves; but it is a service on which it is advisable only, as a rule, to employ commissioned officers, and if it were not that the present race of out-door officers, in many cases, perform this part of their duty very indifferently, there is no ground for making any change. Recently, at Liverpool, some of the officers employed on it—men of less than 16 months' experience in the Service, and who were for the most part performing their duty in a manner unsatisfactory to their surveyor—having made complaints as to the nature of their duties and propounded their notions as to how the service ought to be performed, were required either to perform their duties efficiently and without grumbling or to resign a service for which they were manifestly unfit; but this option did not lead to any tenders of resignation. The officers were not censured, as is alleged, "for the mere fact of combination." 25,715.

105. It is to be observed that boarding duty is more like "sentry duty" than anything else, and that a young recruit might as well complain, on account of his youth, of being obliged to perform his share of a 24 hours' "guard," as an out-door officer complain of the 24 hours' system of duty on account of being young and fresh from school.

The boarding duty at Liverpool is now divided into alternate turns of six hours' duty and six hours' rest, with leave on two evenings in the week, and with every third Sunday free; previously, when the officers were boarded for 24 hours—followed by 12 hours free—full-time was allowed, as the officers admit is the case in London (25,696) in the 24 hours, for meals.

Hours of Attendance.

106. The alteration in the hours which an officer employed on landing and shipping duty will be hereafter required to give to the Crown is naturally a very prominent one in the inquiry, and was referred to at length, both by the London and Liverpool officers. It will be as well to clear the ground by stating the hours of service to which officers have been for many years liable.

The hours for the landing and clearance of *free goods, duly reported*, and for which perfect entries have been passed, are regulated by the orders of the Board, and are generally (with the exception of the four ports at which the new hours for the landing and shipping of cargo from and to foreign ports have been established) from 6 a.m. to 6 p.m. from the 1st March to the 31st October, and from 8 a.m. to 4 p.m. during the remainder of the year, whilst cargoes consisting of *free goods in bulk and fibrous goods in trusses or bundles*, which are easily examined, are allowed to be discharged at any hour without expense to the merchant, the Crown bearing as to these kinds of goods any expense that may be incurred for the "overtime" of the officers. If the goods are not properly entered, the free discharge can still take place between the same hours

as those properly entered, the merchant paying for the attendance of the officer, if required, before or after 8 a.m. and 4 p.m. in summer and 9 a.m. and 4 p.m. in winter.

The hours for the landing of *duty goods*, free of charge, to the merchant are from 8 a.m. to 4 p.m. in the eight summer months, and from 9 a.m. to 4 p.m. in the four winter months if they are not properly entered, but if they *are* properly entered, the landing at the docks in London may take place between 6 a.m. and 6 p.m. in summer, and 8 a.m. and 4 p.m. in winter. The clearance of duty goods is allowed between the hours of 8 a.m. and 4 p.m. in summer, and 9 a.m. and 4 p.m. in winter.

These arrangements are based upon the General Order 10/1862, of which the following is a copy :—

THE Board have had under consideration the regulations at present in force, by which certain goods are allowed to be unshipped from the importing vessel, under the supervision of the officers on water guard duty, before and after the hours approved for the discharge of goods generally; and the Board being of opinion that this privilege, which has already been extended at some ports to all free goods, corn, timber, and wood goods, should be acted upon at all the ports of the United Kingdom ;

Ordered,—

That all free goods, corn, timber, and wood goods, whether to be landed or delivered overside, be allowed to be taken out of the importing vessel, from 6 o'clock a.m. to 6 o'clock p.m. from the 1st March to the 31st October, and from 8 a.m. to 4 p.m. during the remainder of the year.

And the proper officers in London, and at the out-ports, are to govern themselves accordingly, observing that in any case of discharge before or after the above hours the merchant is to be called upon to deposit an amount sufficient to defray the expense of the extra attendance of the officers required.

These hours have been more or less in operation for a good many years, and while no objection to them has been raised by the officers, the benefit to the shipping interest has been great.

107. Every officer who joins the out-door department ought thus to be fully aware that he can be called upon, under these regulations, to serve 12 hours per day during the summer months in the discharge of goods entered as free, and in the face of these regulations it is idle for the officers to suggest that their proper working hours are, in landing and warehouse duty, limited to those between 8 a.m. and 4 p.m., and that they are regulated by the 9th section of the Customs and Inland Revenue Act, 1881 (44 Vict. c. 12). The object and purport of that section was to limit the hours of landing as against the merchant for the protection of the revenue, it has nothing whatever to do with the hours of service of the officers, which depend solely on the regulations made by the Board.

It is true that the Board do not enforce the 12 hours of attendance where there is no occasion for it, and, in fact, many of the officers who are now supposed to be on landing duty for 12 hours are at their stations only eight. It is only on emergencies, once or twice a week, that the officers attend during the full period. Many dock companies and wharfingers do not care to begin business earlier than eight in the morning, and, in practice, eight hours' duty has become so much the normal habit of the Service for much of the work of the department, that the Board took the point into consideration when the extended hours for landing and shipping of cargo were introduced at Liverpool and the Humber ports, and directions were given that the officers should be informed that they would not, on an average, be required to attend more than that number of hours, and this was announced by the Chancellor of the Exchequer in the House of Commons, but the *liability* to the longer hours continues.

ime. 108. It is necessary here to refer to the system of "overtime" which prevails in the department. The officers have been in the habit of receiving from the merchants extra pay (at rates sanctioned by the Treasury) for attendance at duties other than those coming within the lines laid down in the regulations which have been referred to. At many stations this extra pay forms a large addition to the emolument of the officers, and such stations are eagerly sought after. Though the officers are at these stations frequently on duty several hours a day in excess of eight hours, no complaint has ever been made as to the length of attendance, and any complaint now made as to injury to health under the new hours of service must, therefore, be received with due caution. But this system of "overtime" is demoralising to the officers, it renders them less fit for duty during the regular hours of service, and the object is to reduce it within as narrow limits as possible. Though other reasons are put in the foreground, it is because the new hours of service have so largely reduced the period within which "overtime" is payable, that the officers have resented their introduction ; now, however, that the question of the hours of service has been raised by the officers it is as well to point out that it is more than questionable whether, in strict fairness to the merchants, the practice which was permitted to grow up of out-door officers of this grade charging them overtime for the hours between 6 and 8 a.m. and 4 and 6 p.m. ought ever to have been allowed.

109. It was, in fact, the "overtime" question and the complaints which were made by the merchants on the subject which led to the alteration of the hours. In dealing with the question it was considered that every reasonable facility ought to be given to the trading community for the landing of goods and the expansion of trade, that there would be no more danger to the revenue if all goods, duly reported and for which an entry in some shape was forthcoming, were permitted to be landed between 6 a.m. and 6 p.m. as a regular part of the officers' duty instead of their being so landed during part of the time while the officer was employed on overtime, and that the most defensible system which could be adopted in order to check the abuse of "overtime" practice, would be for the Crown to give to the merchant free of charge, when so desired, the usual hours of labour, viz., 6 a.m. to 6 p.m., and that the merchant should be called upon to pay "overtime" to the officers only for service rendered between 6 p.m and 6 a.m. The proposal was submitted to, and approved of, by the Treasury, and it was determined to put the new system into force experimentally at the ports in the Humber and at Liverpool.

110. The experienced officers of the department were of opinion that, at those, and most of the ports, the existing staff was ample for the extended hours required, if the officers were employed generally on a relay system, similar to that which has been in force in London for over three years in connexion with the examination of parcels arriving by the foreign and colonial parcels post. This system provides for relays of officers throughout the whole 24 hours. Under such a plan, but limited to day hours, viz., 6 a.m. to 6 p.m., it was considered that, without material increase of expense to the Crown, the merchants would be relieved of overtime payments to a very considerable extent, and the "overtime" service of the officers reduced within reasonable limits ; for it is believed that much of the night work in the discharge of ships, for which, under the new system, the merchants will have to pay, will be pushed by them into the 12 hours of daylight, which will be free from any charge for "overtime." It will be seen that, although the effect of the new system will be to give traders 12 hours free from overtime payment, the actual hours of employment of the officers will, as a rule, be seven or eight only, and that their hours of work, so far from being extended, will be considerably reduced.

OPERATION OF THE NEW HOURS.

111. At the ports on the Humber the new system was soon brought into working order without much friction, but at Liverpool such was not the case. At that port the officers at first clung to the hope that the order would be cancelled, and the old hours of "overtime" service restored ; they did not, therefore, lend themselves willingly to the new system, and evince the same spirit in the performance of their duties as they did before the hours were changed ; in consequence the system was not introduced with the same ease as on the Humber, and owing to want of proper arrangements being made by some of the superior officers of the port, a very large number of hours of attendance (in excess of the ordinary average of eight or seven hours, according to the season), was put in by the officers. The difficulties have, however, been overcome, and the system is now working smoothly—with advantage to the merchants—with no material charge to the Crown, and without any real hardship to the officers ; the number of hours of excess attendance, which had accumulated, have been either repaid to the officers in the shape of extra leave, or else any claim to them has been resigned.

112. It is not correct, as is asserted by the officers in their statement, that the transit sheds are frequently required to be opened at 6 a.m. to prepare for the general work which begins at seven. Occasionally it is the case when the dock company wish for access to the movable engines used in landing goods, but the attendance of only one officer is required on such occasions, that is the depôt keeper at the station, and these keepers have a very easy time of it. As to the complaint of delay in the delivery of goods under the new system, which is referred to by the officers in question No. 25,854, the collector writes "that no such "complaints has been made to the inspector, the surveyors, "or myself, and I am satisfied that if complaints were

Remarks on Evidence and Memorials.

"made they would have immediately come to my know-"ledge."

Complaints against New System.

113. It only remains, therefore, to consider the complaints which have been advanced by the officers against the new system.

The principal grievance of the officers is the difficulty they do or will, experience in London and Liverpool in reaching their stations at 6 a.m., on account of the fact that, previous to that hour, public conveyances are either not available at all or are of very limited convenience. The extent to which this will be a real grievance is doubtful. At present in Liverpool the "hours of labour" do not ordinarily begin in the docks till 7 a.m., and none of the officers are required as part of an ordinary day's duty to be present until that hour; they then have the same means of access to their stations as the Dock Company officers. The grievance, therefore, remains to be proved in the case of the Liverpool officers. In London the new system has not been tried, and it is uncertain at what hour business will commence at the docks when it is tried; but at whatever hour business may commence, Customs officers will have the same opportunities of reaching their stations as the officers of the Dock Companies; and it may be observed that it is believed that the London officers can, if they choose to do so, obtain suitable residences nearer to the docks than is the case with the Liverpool men. If, however, any *bonâ fide* grievance can be proved to exist on this point the case can be submitted for the consideration of the Treasury, and though some inconvenience may be felt by the officers on account of the earlier hour of attendance, it will not be greater than they already have experienced when working "overtime" at the same hour; and it is impossible, in a department so specially mixed up with the trading interest as the Customs is, to consider the interests of the officers only.

114. The officers wish that, by a Treasury order, their hours should be definitely fixed at 8 in winter and 7 in summer. It would be impossible to adopt such a rule in view of the exigencies which may arise in connexion with shipping requirements in a department such as the Customs. That the Board is not disposed to overtax the energies of the officers is shown by the fact that, though in the warehouses and the long rooms the hours are from 8 to 4, those officers only are required to be present who are sufficient to meet the requirements of the public at the earlier hour.

25,841. 115. The officers ask that, if they are employed before or after the legal hours, *i.e.*, the hours as defined in 44 Vict. c. 12. s. 9, they should receive some compensation for the inconvenience. It has been already stated that the "legal hours" of landing goods have no necessary connexion with the hours of service of the officers, and if, as is now the case, the officers are only called upon to put in eight hours' service on landing duty, it is not considered that they are entitled to any special allowance because the duty may commence at 7 instead of 8.

25,807. Dinner hour. 116. There is no recognised interval for dinner between 8 a.m. and 5 p.m., but the officers can, and do, obtain this meal when the wharfingers or the warehouse keepers cease work for the same purpose. It is not the rule in public departments to recognise any hour for luncheon or dinner, but in practice time is always allowed for it.

25,739. Vacancies in the class of assistant examining offices. 117. The officers claim that the offices of assistant examining officer which have been assigned to Liverpool should be filled up. In the remarks made upon the existence of so many acting examining officers in the service, it has been already pointed out what the result would be if the vacancies in the assistant class were at once filled up. *See* paragraph 19.

25,741. Overtime. 118. The officers plead the recent diminution in the hours of overtime as one of the reasons why the initial salary should be raised; but overtime was unknown to them when they decided to enter the service, and it has already been pointed out in paragraph 108 that it was not properly claimable by the out-door officers on landing and shipping duty for the hours in respect of which the diminution in their earnings has taken place, and it is difficult to contend that salaries should be raised under a system which has practically shortened the hours of attendance.

25,745. Ledgers. 119. The officers complain of being employed in keeping the warehouse ledgers without receiving a higher rate of salary. On an average it appears that about nine officers are so employed; but the service is willingly taken, and is certainly an advantage with a view to promotion.

25,745/51. Previous to the amalgamation of 1882 no ledgers at all were kept. These ledgers contain a debtor and creditor account of all duty goods in the different warehouses, and as the duty connected with them is merely that of entering upon the one side or the other particulars supplied by various documents, it really resolves itself into a form of copying work, and was, indeed, till quite lately, in London given to copyists and examining officers between them. As the nature of the work, therefore, is of itself simple compared with that which is required to be performed in other duties, and as it is, moreover, checked by a surveyor or a first class examining officer, it was decided by the Board to dispense with the services of copyists (who were really only intended for indoor clerical work) and give it to the officers of the out-door department, who so nearly meet the copyists in rank and position. It is to be remembered, when claims are advanced of this nature, that aptitude for clerical work of an ordinary kind is now, owing to the spread of education, comparatively a drug in the market, and that it is not of the money value it used to be.

25,766. Diminution in number of competitive examinations. 120. The officers claim that they should receive compensation because fewer competitive examinations are held than they were led to expect when they entered the service. It is obvious that competitive examinations can only be held according to the requirements of the service, and it is probable that a more singular claim to compensation was never advanced by any body of public servants.

The Acting System.

25,776. 121. The officers state in their evidence that there are men in Liverpool who have been "acting" examining officers for 22 years. One officer has been so acting, but he was charged and reduced for being drunk on duty in 1872.

There are also some who have been acting since 1879, but out of four cases to which the remark might apply, two have been charged and reduced, and it is not deemed advisable to promote the two others.

The Intermediate Class.

5,767. 121A. The introduction of the assistant examining officers class is advanced as a ground for the immediate increase of the salaries of the out-door officers. The large number of promotions received by the out-door officers to the assistant class, as shown in the table of promotions attached to the remark on the London evidence (*see* paragraph 78), appears to be a complete answer to this claim; and it has also been shown in paragraph 38 that, while the number of out-door officers who are candidates for promotion has been largely reduced, the number of offices to which they can be promoted has largely increased. At present all appointments to the intermediate class are made by selection—without examination. Officers of tried experience have thus opportunities for advancement, instead of being passed over by young officers "fresh from school," and able in competitive examinations, but deficient in experience and the steadiness acquired by service.

24,774. 122. Reference is made to the case of an officer who has 19 years' service, and whose salary has, during that period, only increased by 10*l.*, though he has been employed on superior duty. This officer entered the service at the old initial rate of salary at the port of Liverpool, viz., 70*l.*, and he attained the maximum of his class in 1880; but his record was not clear, as he had been found guilty of being drunk on duty soon after he joined the service; and this is the "mistake" to which reference is made in the answer to question No. 25,797. Conviction for such an offence must necessarily retard an officer's advancement as compared with that of officers who have a clear record. It is not the case that this, or any other officer, labouring under a similar charge, was not allowed any opportunity for defence. He was regularly "charged," in accordance with the practice in the department. The inquiry was, as usual in such cases, on oath, and he was found guilty.

25,788 to 25,791. 123. There are two subjects here most ingeniously mixed up:—

(1.) Boarding duty.
(2.) Baggage duty in continuation of ordinary waterguard duty.

As to the former, the officer says that he gave sometimes 24 hours continuous attendance without any break whatever. Such a condition was possible until lately, though not frequent, and it arose in connexion with change of watches, under circumstances not easy to be here stated; but it is not possible now, the watches on boarding duty being taken in alternate periods of six hours by the two officers boarded on the ship.

As to the latter, the case of 40 hours continuous service partly on baggage duty (as admitted in answer to Question No. 25,791) might have been possible owing either to a glut of arrivals of American liners on the particular Saturday and Sunday in question or to delays in such arrivals, officers being meanwhile kept ready to examine passengers'

baggage. Such cases of prolonged attendance may sometimes occur, but *certainly* not without plenty of opportunities of rest, and as to all the hours outside the regular day's work the officer would have received special remuneration from the shipping companies who requested their attendance.

124. It is the case that an officer with a "C." character will probably not be promoted, and it is not in the interest of the public service that he should be. It is not true that a single, or even more, bad record is an absolute bar to promotion: a reasonable period, free from any such record, *and dependent on the gravity of the offence*, is required. Nothing but ignorance of the requirements of the service and inexperience could have suggested the idea that a fault grave enough to be recorded should be no bar to promotion after the lapse of two years.

125. The officers complain that at Liverpool the warehouses are, in summer, kept open from 8 a.m. to 5 p.m. instead of from 8 a.m. to 4 p.m. as in London.

The London practice is as stated, but in Liverpool, upon request of the merchants, as far back as 1852 it was arranged that, if necessary, at the request of the merchants, warehouses might be kept open for *the receipt and delivery of goods only* till 5 p.m. in the summer. It must be remembered that the officers had no claim to extra remuneration on this account, because of the hours for all officers in the summer months being from 6 a.m. to 6 p.m. on whatever duty they may be employed. The same practice applies at Bristol.

25,805. Warehouses kept open till 5 p.m.

LIVERPOOL EXAMINING OFFICERS.

126. Many of the subjects referred to by the Liverpool examining officers, such as—

The "acting" system;
Waterguard hours;
The employment of 1st class examining officers in checking warehouse accounts;
Compensation for loss of prospects;
System of promotion and reports on characters; and
Retirement;

have been dealt with in the remarks on the London evidence, and the question of the new hours of service to which the officers are liable has been explained in treating the evidence given by the Liverpool out-door officers: but, as in the case of the out-door officers, there are some points raised by the examining officers which require notice.

New Classification.

127. The Liverpool officers suggest that a new classification should be formed, whereby there should be a general class of examining officers at salaries from 150*l.* by 10*l.* to 250*l.*, and that above this, and between the surveyors, a new class should be formed to be called assistant surveyors, with salaries from 250*l.* to 350*l.*

There are no grounds given for this suggestion, except that many 1st class examining officers are now performing, what the witnesses call, superior duties, which, by the Warehousing Code, are allotted to surveyors or supervisors.

The nature of these so-called superior duties has been previously explained, and the reasons why they are assigned to the 1st class examining officers (*see* paragraph 58), and there is no ground for claiming a higher rate of pay for them than is given to 1st class examining officers.

As to the proposed new classification, it would seem by the answer to the question No. 25,816 that it is intended that it should only apply to Liverpool, but any such proposal would be a retrograde step, as the object of many of the changes, as regards salary, which have been made in recent years has been to place all officers of the same rank at different ports on the same scale of salary. And this is now the case with all salaries except those of the surveyors, and it is hoped that these also may soon be equalised.

128. Putting, therefore, out of the question any port distinction, the cost of the Liverpool proposal must be applied to the present numbers in the three grades in the service affected by it, viz.:—

223 1st class examining officers.
635 2nd " " "
512 assistant " "

The cost of the present scale of pay is estimated to be—

——	Minimum.	Mean.	Maximum.
	£	£	£
223 1st class examining officers -	50,180	58,540	66,900
635 2nd " " " -	74,295	106,997	139,700
512 assistant " " -	51,200	64,000	76,800
Total - - -	175,675	229,537	283,400

These figures are arrived at on the supposition that promotions to the 2nd class will be made from the class of assistants at the time when they will have attained a salary of 124*l.*, which they will carry with them on their promotion. This would be equivalent to raising the minimum of the 2nd class to 117*l.* (the mean between 110*l.* and 124*l.*).

The cost of the proposed classification (exclusive of the cost of raising the increments as proposed) would be—

——	Minimum.	Mean.	Maximum.
	£	£	£
223 1st class examining officers -	55,750	66,900	78,050
635 2nd " " " -	95,250	127,000	158,750
512 assistant " " -	51,200	64,000	76,800
Total - - -	202,200	257,900	313,600

The increased cost would therefore be—

	£
At the minimum - - -	26,525
At the mean - - - -	28,362
At the maximum - - -	30,200

But to this must be added 5,715*l.*, the estimated cost of raising the increment of the 2nd class of examining officer from 7*l.* 10*s.* to 10*l.*, and 4,096*l.*, the estimated cost of raising the increment of the assistant class from 3*l.* to 5*l.*

The estimated increased cost of the proposed classification would therefore be—

	£
Mean cost - - - -	28,362
Rise in the increment of the 2nd class examining officer - - -	5,715
Rise in the increment of the assistant class - - - - -	4,096
Total - - -	38,173

Insufficient Control.

129. In their printed statement the officers assert that the reductions made in the superior appointments have made the control of the department insufficient.

This is not the opinion of the collector or of the inspector of the out-door department. Under these officers there are at present an assistant inspector and 14 surveyors, viz.:—

2 of the 1st class,
4 " 2nd "
8 " 3rd "

and this staff is considered by the collector to be amply sufficient for the control of the out-door department of the port.

Reductions in Superior Offices and Existing Vacancies not filled.

130. When reductions in officers are made they are effected, after careful inquiry on the spot by superior and responsible officers. The Board have been informed that the number of surveyors at the port of Liverpool is in excess of the actual requirements of the service, and under such circumstances the Board would not be justified in filling existing vacancies.

Remarks on Evidence and Memorials.

Terms offered to Clerks on joining the Out-door Service.

131. The Liverpool officers state that these officers accepted their present positions on the understanding that they would not be required to work more than seven hours in winter and eight in summer, "and that the increase made "to their salaries was calculated on the basis of the extra "attendance involved by those hours"; and in support of this statement the officers quote the order of the Board of 26th February 1883, No. 3,505. In that order there is not a word which will justify the statement of the officers, the terms offered to the Liverpool clerks were the same as those accorded to the clerks in London, and they were accorded by the Treasury for the same reasons. On reference to paragraph 77 it will be seen that the immediate increment of 30*l.* was conceded by the Treasury on account of the liability of the clerks to serve when required from 6 a.m. to 6 p.m.

Meals.

25,847. 132. The officers assert that they have no time for meals between 7 a.m. and 5 p.m.

This statement is absolutely incorrect. It is the case that there is no recognised hour at which an officer should cease work and dine; but in the Liverpool docks work always ceases from noon till 1 o'clock, and the majority of the officers there employed have full opportunity for refreshment, in fact, many of them arrange for mess dinners to be provided for them in the Customs offices in the docks, and till lately, the cooking of these dinners was done, at a considerable cost to the public, by out-door officers, some of whom were in the 1st class. There must of necessity also be allowed, under the new hours, time for breakfast for those officers whose hours of duty may commence at 7, as in all places the labourers and others in the docks break off for refreshment, and, as a rule, it will be open to the officers, if they think fit, to make the same arrangements as to breakfast which they have made for obtaining their dinners.

25,853. 133. The officers refer to the staff at Princes Dock as insufficient between the hours of 7 and 9 a.m. The collector states that the work at those hours in that dock "is easily within the power of one examining officer."

25,854. The officers' statement would lead to the conclusion that an examining officer on a station had no assistance. He has always in attendance with him an out-door officer of experience who aids him in seeing that all packages from a ship are accounted for.

Loss of Sunday Pay.

25,855. 134. The officers admit that Sunday duty is necessary, but they assert "that unreasonable concessions to shipping "interests have added unnecessary and disagreeable duties "to the Sunday duties."

This statement would lead to the conclusion that recent orders had added to the Sunday work and to the number of officers employed on it; but the contrary is the case, and the complaint made points rather to the conclusion that it is the loss of the Sunday pay formerly earned, which is the real cause of dissatisfaction.

The Sunday duty is now almost entirely limited to the officers on waterguard.

Previously to 1887 landing of cattle on Sundays was supervised by officers specially employed for that purpose, and an examining officer so employed received from the merchants 12*s.* as his day's pay, and 2*s.* per hour for any overtime outside the limit of 8 a.m. to 4 p.m. In that year the duty was transferred to the waterguard as part of its regular duty (their attendance being constant on Sundays), and the attendance of any special officer ceased to be required. In fact, the charge upon the merchant was not justifiable, and the collector states that the discontinuance of the charge is a distinct improvement as regards the good management of the port. The measurement of deck cargoes, which is a duty requiring immediate attention on the arrival of a ship, has been since 1877 taken by the waterguard.

135. Exclusive of the waterguard the Sunday work at Liverpool is limited to—

1. Attendance to examine passengers when an unusual number arrive, and the waterguard is insufficient to meet the pressure.
2. The landing of perishable goods.
3. The discharge of goods from vessels—
   (*a*) in distress;
   (*b*) which have also mails and passengers and have been delayed by weather and are required to sail at an early date.

Attendance is also required for the discharge of vessels on holidays.

For the attendance on these occasions special application has to be made by the merchants, and the examining officers employed receive from the merchants pay and overtime at the rates mentioned as formerly received for attendance on cattle ships, and out-door officers are paid at the rate of 4*s.* a day, and overtime at the rate of 8*d.* an hour.

136. The attendance of landing officers at Liverpool for duty on Sundays or holidays is not compulsory. If an officer should object a substitute would be found; but there is only one instance in which an officer has objected to it; the alleged grievance of the officers is therefore imaginary.

137. The waterguard staff for examining baggage at Liverpool is governed by the number of passengers. It not unfrequently happens that the waterguard officers who have completed their day's turn of duty are kept back or recalled to assist at the examination of baggage, and an officer so recalled receives overtime from the merchant for attendance before or after the legal hour; but if that attendance is given on a Sunday, or part of a Sunday between 8 a.m. and 4 p.m., he receives from them a full day's pay as well as any overtime he may earn.

Pay for Sunday Duty.

138. Payment for Sunday duty is indirectly claimed by the Liverpool examining officers, in reply to question No. 25,855, and it is directly claimed by the Harwich boatmen who ask "that Sunday and Bank Holiday pay should be "proportionate to salary for the rest of the year." As already stated service in the waterguard at any port of necessity entails Sunday duty, and it has always been recognised as part of the ordinary duty of an officer so employed and, except that out-door officers and boatmen continue to receive an old allowance of 1*s.* a day when on Sunday duty, no extra payment has ever been given for it in the Customs Service. 25,855.

Wages of servants in private families cover any necessary service on Sunday, and such is the case as regards Sunday duty in the Army and the Navy and, it is believed, in most cases where service is paid by salary, and not by the day or hour.

139. In the Customs it may be said that the question practically only applies to officers employed on waterguard duty as it has been explained that those employed on Sundays on landing duty are paid by the merchants.

There were assigned to waterguard duty in the Department on the 1st ultimo—

	Cost of mean salaries.
	£
162 examining officers (say 2nd class) -	27,030
92 assistant examining officers - -	11,500
407 out-door officers (say 2nd class) -	30,076
777 boatmen - - - -	50,220

To meet the proposal for Sunday pay it would necessary to add one sixth to the salaries of the officers so employed, and on that basis the following sums would have to be paid:—

	£
To the examining officers - - -	4,505
To the assistant examining officers - -	1,917
To the out-door officers - - -	5,013
To the boatmen - - - -	8,370
Total increased cost - - -	19,805

Proposal to Abolish Uniform.

Such a proposal could not be sanctioned.

140. Officers of Customs are in daily contact with the public and, as some authority for their office, they must, unless they are employed on special preventive duty, or in offices, wear the uniform prescribed for their class. It prevents unauthorised persons from assuming the position of a Customs officer, and is, in many respects, a protection to the officer himself and to the public generally. 25,891.

It is not compulsory for an officer to wear uniform when employed on clerical duty or warehouse accounts.

Evidence of the Out-port Examining Officers.

141. There are only a few points which it is necessary to notice in the evidence of the out-port examining officers.

The work performed by 2nd class examining officers at the out-ports will hardly compare with that performed by Lower Division clerks. The class of work is, as a rule, somewhat inferior, and although the examining officer 25,907.

gives, for eight months of the year, one hour's attendance more per day than the Lower Division clerk, it is, in many cases, mere "attendance" and does not signify actual work.

915. 142. The superior appointments throughout the service are now thrown open to all officers, and the promotions to them are not confined, as was generally the case in former years, to the port in which a vacancy may originate. As an instance, London examining officers are not exclusively promoted to surveyorships at that port, but are now sent to out-ports, and out-port surveyors are removed to London. The advantages of such an arrangement are that "new blood" is introduced, the procedure at the different ports is brought more into harmony, and the officers who are promoted are better able to fill their new positions.

918. 143. The duty of an out-port examining officer in assessments for revenue purposes is not so large or special as might be supposed from the remarks made in answer to this question. Except in a few of the larger ports there are no large *direct* importations of dutiable goods, and those that are removed to the port for clearance have been already assessed on importation at London, Liverpool, or elsewhere. The out-port examining officers *re*-gauge or *re*-weigh for duty, and sufficient control is exercised over this duty by the collector acting in the capacity of surveyor. At ports where duty goods *are* imported there are usually surveyors who give their whole time to the work of supervising the officers. These surveyors are instructed to make their visits at irregular hours and as frequently as the duty will admit, and it is generally found that they loyally carry out their instructions.

923. Checking the warehouse books and testing the stock in the warehouse is a sufficient guarantee that goods are not taken out of the warehouse before the duty has been paid upon them, and the irregular visits to the officers whilst they are taking the account prevents collusion with the merchants as is suggested.

937. 144. It has been already observed that the distinction between the salaries of the surveyors at the out-ports and Liverpool and London requires reconsideration.

945. 145. The assistant examining officerships are not recognised as a stepping stone to the examining officerships, 2nd class, inasmuch as they are filled by selection from amongst officers of tried service as a reward of merit; but the fact of an officer accepting promotion to the assistant class is no bar to his further promotion. If an officer shows ability above his fellows he is promoted to a 2nd class examining officership.

Assistant Examining Officers.

146. The reasons which led to the formation of this class are stated in paragraph 7.

Not only out-door officers but boatmen also are promoted to it.

The salary which has been assigned to the class is considered fairly to represent the value of the work to be usually performed by those in it, and no improvement in it seems to be required.

147. It seems, however, to me a matter for consideration, having regard to the fact that the sphere of duty on which the officers serving in it may be employed has been enlarged since its introduction, and that its scale of salary overlaps the minimum of the 2nd class examining officer, whether the present arrangements should not be reconsidered.

The Boatmen (or Watermen).

148. The boatmen complain (1) of the hardships of the service; (2) of the 24 hours system, under which, at some ports, they are required to be on duty; and (3) of the insufficiency of their salaries.

In support of their statement the Liverpool officers forward copies of memorials which they presented to the Board in February and November 1884. The latter memorial is a copy of one which was also sent in by the boatmen at several of the leading ports.

Boatman's Duty.

149. A boatman's duty at a busy port is heavy, and at some ports, such as Liverpool, there is the danger attending it which must accompany boating in rough weather, but it is one inherent in waterguard service, and cannot be avoided if the work is to be properly performed. It is for this duty that the men offer themselves as candidates.

In rummaging it is the case that they have, to some extent, to act with some degree of independence, as though a rummaging crew consists of an examining officer or an assistant examining officer and two boatmen, the vessels are now too large for the officer always to accompany his men throughout the entire rummage.

The Twenty-four Hours System.

150. This subject has been already referred to in paragraph 86, but the following memorandum by Mr. Hinks, the head of the London water-guard, is here submitted:—

There is no question as to the advantage to the Revenue of the 24 hours system. It ensures the constant attendance which is necessary at all large ports, to put the quarantine and health questions at the boarding station, to examine passengers' baggage, rummage vessels arriving, boarding officers when that is necessary, landing cattle, perishable and bulk cargoes, and visiting officers when boarded. This work varies very much in amount and is seldom continuous at any port, but to meet it properly constant attendance th ugh not constant work, is required, and the men are provided with beds and cooking utensils, and allowed to take such rest as the business will permit.

As an equivalent for the 24 hours watch they are allowed 24 hours off duty, and a short watch every third day, from 8 a.m. to 4 p.m. is given in London. At Liverpool this short watch appears to come at some stations every fifth day instead of every third day.

I think that the London practice as to the short watch should, as a rule, be the practice wherever the 24 hours system prevails, but there are some stations at which the work is so light that it is not in any way necessary. Under this system in each 21 days a man is in attendance 224 hours or $10\frac{2}{3}$ hours in every 24, and is on duty at the most, every alternate Sunday. As a set-off against the extra attendance, as compared with an 8 hours system, $1\frac{1}{2}$ hours at least is saved in coming from and returning to their homes, and 50 per cent. in any locomotion expenses which may be necessary.

The watch is changed at 8 a.m., a most convenient hour, whereas, under the best arrangement which could probably be made under an 8 hours system, the third watch would have to come on duty at 11 o'clock at night. It is obvious, that under the 8 hours system the number of journeys from and to home would be largely increased.

Wherever the 24 hours system can be worked with a short watch every third day, I am confident, from long experience of its working, that it is the best system for the officers, and I am informed that even at ports where the short watch every third day is not the present practice the 24 hours system is generally preferred. An 8 hours system would hardly be fair to the public, as it must be understood that it would be *attendance* for duty when required, not constant performance of duty.

(Signed) W. H. Hinks.

The 24 hours system has also in recent years been introduced at Harwich, and the collector states that he believes that smuggling at that port has received a great check since its adoption.

It seems advisable that steps should be taken to carry out the recommendation made by Mr. Hinks as to the short watch at all busy stations.

System in Operation at Liverpool previous to 1884.

151. Previously to 1884 the examining officers on waterguard duty in the docks at Liverpool, with their boatmen, were in attendance only during the day time, any vessel arriving at night being simply put in charge of a patrol officer after the usual quarantine questions had been put to the master by an examining officer, in the capacity of inspector of patrol. The rummage of the vessel was deferred until she was visited by the waterguard examining officer during the legal hours.

For the patrol service of the port there were 111 glut officers and 18 out-door officers, of which latter 16 acted as inspectors. Every Saturday, at midnight, all patrol officers were withdrawn, and they did not resume their duties until midnight on Sunday. This patrol of 111 officers was placed principally on the land side of the different docks, but the number was really inadequate to guard efficiently the whole of the exits from the docks even on that side, while the river side was, practically, left unguarded. and, as shown above, on Sundays no patrol officers were on duty on *either* side.

The present waterguard system was designed to give a continuous and effective guard, composed principally of established and responsible officers employed on this duty only, and directed by one central authority responsible for all the waterguard work of the port.

Remarks on Evidence and Memorials.

That the present system has been attended with success as compared with that which it superseded is amply shown by the following figures giving the number of seizures of dutiable goods made within the port of Liverpool in each of the years from 1878 to 1888 inclusive; the immediate effect of the introduction of the new waterguard system in 1884 being at once apparent.

Old System.		New System.	
Year.	Seizures.	Year.	Seizures.
1878 - -	115	1884 (new system)	290
1879 - -	121	1885 - -	369
1880 - -	119	1886 - -	235
1881 - -	114	1887 - -	241
1882 - -	104	1888 - -	557
1883 - -	165		

Patrol Watch at the Docks in Liverpool.

152. In their memorial of November 1884 the Liverpool boatmen complain of the patrol watch at the docks as most severe and harassing.

This watch is an arrangement by which, at night, when there is no tide to be attended to or no rummaging to perform, the men of a crew can have a short rest by lying down at their head-quarters, on condition that one man keeps a look out; the men would apparently claim that, though, when they are on the 24 hours system they have 24 clear hours off duty as an equivalent for the 24 hours attendance; they are also to have the same right to relaxation when on duty as if they had no time compensation given for the 24 hours attendance. The watch in question falls, on an average, on a man twice between 6 p.m. and 6 a.m., and at each time lasts for two hours.

Incessant Duty at Liverpool.

153. The Liverpool boatmen state, in their memorial of November 1886, that there are more than three fourths of their number at that port who have an incessant run of duty for 365 days in the year, less the annual leave, and they desire to point out that the peculiar hardship attaching to that continuous duty is the amount of night work involved.

It is not easy to comprehend the meaning of this statement under the 24 hours plan of duty, which, as to its working in London, has been already explained. The facts are as follows:—

There were lately, at a given date, 86 boatmen in Liverpool, of these—

15 had a short watch every third day.
3 „ „ second day, on an average.
14 „ „ fifth day.
7 had no short watch.
24 were employed as rummaging, and, as a rule, have no night work.
2 on intermittent tide duty at Garston.
11 were acting as examining officers.
2 „ „ messengers.
1 as a cart-follower.
2 on quarantine duty.
1 was suspended from duty.
4 were absent on leave or sickness.

86

It will thus be seen that only seven come within the scope of the complaint, and even they are not kept continuously at stations where there is no short watch. As regards the 14 who had the short watch every fifth day, arrangements have recently been made to increase the number of the short watch days as to eight of the number; the other six are employed on a station where the night watch is light.

Salaries.

154. The present scales of salary were fixed by the Treasury in 1882, after the position of the boatmen had been the subject of inquiry by the Committee of the House of Commons, over which Mr. Norwood presided.

They are:—

1st class, 70*l.* by 1*l.* to 75*l.*
2nd „ 55*l.* „ 1*l.* „ 65*l.*,

and the men are paid an additional 1*s.* when employed on Sunday duty; they also receive uniform annually.

155. Previous to the scale fixed in 1882 the boatmen at the out-ports were on a lower scale than those in London and Liverpool, viz.:—

1st class, 65*l.* to 70*l.*
2nd „ 55*l.* to 60*l.*

Mr. Norwood's Committee recommended equalisation in the scales, and the Treasury minute of 28th January 1882, was the result.

There are now in the service as boatmen:—

—	1st Class.	2nd Class.	Total.
In London - -	59	121	180
„ Liverpool - -	30	61	91
At out-ports - -	173	431	604
	262	613	875

It will thus be seen that 604 men out of 875 are receiving the advantage of the concession made by the Treasury in 1882.

156. The Board declined in 1884 to forward their memorials for the favourable consideration of the Treasury, and when they were forwarded direct by the men, the Treasury declined, in the interest of the public service, to disturb a settlement which had been arrived at so recently as 1882, after an inquiry and report by a Committee of the House of Commons. Their Lordships, however, stated that they would give favourable consideration to any recommendations the Board of Customs might make for gratuities when boatmen incurred exceptional risk to save life, and in the event of casualties would not be unmindful of their families.

157. In assigning scales of pay some consideration must be given, as in the case of private employers—to the number of candidates for a position, and there are at present no less than 585 candidates for the service. The conditions of entry into the service must also be borne in mind. Boatmen do not enter by competition, but by direct nomination by the Treasury on applications made by the men to Members of Parliament or other persons. Before men apply for an appointment it must be assumed that they have made some inquiry into the nature of the duties they are anxious to undertake, and at any rate, as the appointment has cost them nothing except the fee for medical examination, they can, if they find the duty different to what they expect, resign and return to their previous employment.

158. They enter the service by a test examination in—

Reading,
Writing from dictation,
The first four rules of arithmetic, with the various weights and measures,

and the age for admission is between 20 and 30 years.

They receive, however, on their nomination no official intimation as to the hours of duty to which they will be liable, if they are accepted for the service. This is an omission which can be rectified.

Classification.

159. They ask that classification may be abolished, and two scales of pay are suggested:—

A. By the Harwich officers, 65*l.* by 2*l.* to 75*l.*, and then by 3*l.* to 95*l.*
B. By the Liverpool officers, 55*l.* by 2*l.* to 95*l.*

The cost of the present scale is:—

—	Minimum.	Mean.	Maximum.
	£	£	£
262 1st class, 70*l.* by 1*l.* to 75*l.* -	18,340	18,995	19,650
613 2nd „ 55*l.* „ 1*l.* to 65*l.* -	33,715	36,780	39,845
875 Total - - -	52,055	55,775	59,495

The Harwich scale

The cost of the Harwich proposal would, at its mean, be 14,225*l.* in excess of the mean of the present scales; but to this must be added an estimated sum of 7,000*l.* on account of the rapidity at which, under the proposed increments, the officers would arrive at the maximum of 95*l.*, as they would do so in 12 years.

Liverpool scale.

The cost of the Liverpool scheme would be:—

—	Minimum.	Mean.	Maximum.
875 boatmen, 55*l.* by 2*l.* to 95*l.*	£ 48,125	£ 65,625	£ 83,125

which would be an increase of 9,850*l.* a year as compared with the mean cost of the present scale.

No addition need be made on account of the increased increment proposed, as it will take, with the new increment, the same number of years, viz., 20, to reach the new maximum 95*l.*, as it now takes to reach the 75*l.* maximum at the old rate of increment.

160. It may be conceded that, in dealing with a scale of pay which has only a difference of 20*l.* between its minimum and maximum, there is not so much reason for classification as when the difference is wider, and the duties in the classes in some cases more distinct than they are in the case of boatmen.

161. But the abolition of classification is urged by the boatmen, in page 2 of their printed statement, on the ground of the slow rate at which officers have passed out of the second class. Whatever number of years may in future have to be passed in the second class, it cannot be said that the promotion from that class has, during recent years, been slow.

The following return shows the average service of the boatmen of each class in the 23 ports from which memorials have been addressed to the Commission, and the longest service of any boatmen of the second class at each port.

It appears by this return that, excluding the cases in London, Liverpool, Falmouth, Hull, and Swansea, in which promotion to the first class has not been given on account of the men not being considered fit for it, the longest service of any boatman in the second class does not exceed 8½ years.

Port.	Average Service of Boatmen, 1st Class.	Average Service of Boatmen, 2nd Class.	Longest Service of any Boatman, 2nd Class at the Port.	Remarks.
London	21 5/12	4 7/12	34 4/12	The senior boatman eligible for promotion has 7 3/12 service.
Liverpool	15 5/12	4 10/12	16 5/12	The senior boatman eligible for promotion has 6 11/12 service.
Aberdeen	24 11/12*	4 5/12	6 3/12	—
Barrow	33 5/12*	5	7 11/12	—
Belfast	9 3/12*	4 6/12	7 4/12	—
Cardiff	—	4 4/12	5 7/12	—
Cork	29	3 1/12	4 6/12	—
Dundee	24*	5 1/12	5 6/12	—
Falmouth	15 6/12	9 6/12	10 6/12	The man with this service has a C. character.
Glasgow	13 2/12	3 5/12	6 1/12	—
Goole	—	3 3/12	6 3/12	—
Grangemouth	12 7/12*	5 1/12	6 7/12	—
Greenock	17 3/12	5/12	6 7/12	—
Grimsby	12 3/12	3 2/12	6 1/12	—
Hartlepool	12	7 4/12	7 6/12	—
Harwich	9 1/12*	5	8 6/12	—
Hull	25 2/12	4 4/12	25 4/12	The man with this service was charged in 1877. The senior boatman eligible for promotion has 8 7/12 service.
Leith	9 1/12	4 1/12	6 3/12	—
Middlesbrough	9 3/12*	3 10/12	5 6/12	—
Newcastle	9 4/12*	3 3/12	7 4/12	—
Plymouth	9 3/12	5 11/12	7 3/12	—
Shields	9 10/12	4 7/12	7 6/12	—
Swansea	9	4 7/12	8 4/12	The man with this service was "reduced" for misconduct in 1885. The senior boatman eligible for promotion has 5 3/12 service.

* At the ports marked thus (*) there is only one boatman in the 1st class.

Rewards for Seizures.

162. In connexion with the salaries of the boatmen, it is to be observed that there is annually provided in the estimates a sum of 4,000*l.*, out of which rewards are paid to the officers in respect of seizures of dutiable articles made by them.

The rewards are shared by the rummaging crew, and they form a not inconsiderable addition to the salary of an intelligent and efficient boatman.

Sunday and Holiday Pay.

163. They ask that there should be extra pay for service on these days "in proportion to the salary for the rest of the year."

In the remarks made on the evidence of the Liverpool examining officers it is shown that the cost of this proposal would, on a rough estimate, amount to 19,805*l.* a year. *See* paragraph 139.

Overtime Pay.

164. It is claimed that the overtime pay of boatmen should be increased to 1*s.* per hour, and that overtime should be paid for all duties performed in connexion with vessels discharging foreign cargoes before and after the legal hours.

Boatmen, when employed on "short watch duty," are paid for extra attendance when employed after the legal hours and for the convenience of merchants, either in the examination of free goods discharged into lighters or on the river, and on the clearance of vessels after discharge of cargo, and when rowing the surveyors or examining officers in their visits to vessels discharging as above.

The present rate of overtime pay to these officers is 8*d.* an hour; it is the same as that which is paid to out-door officers, and is amply sufficient.

Promotion.

165. They ask that a more liberal amount of promotion may be accorded them to the ranks of examining officer and assistant examining officer.

Boatmen are not excluded from competition for promotion with the out-door officers, but as to the claim for other promotion it must be observed that the nature of the duty on which they are employed does not qualify them for the more varied duty to which an examining officer of the first and second class is liable; and though some men may show such special aptitude in waterguard duty as to lead to their selection for advancement and employment in the more skilled duties of that branch of the service, it is considered that promotion to the assistant class will meet most of the claims to promotion which boatmen may establish by noteworthy service.

Remarks on Evidence and Memorials.

It has been already shown in paragraph 38 that during the last three years 16 out of 212 promotions to that class have been given to boatmen, and as the number of boatmen employed has increased of late years, while the number of out-door officers has largely decreased, it is probable that a larger proportion of the promotions to that class will gradually fall to the boatmen.

It must, however, be borne in mind when the boatmen complain "that, while they merit promotion by their practical experience of the duties of the service, they are placed at a disadvantage in an educational competition with out-door officers," that they were allowed to enter the service by nomination and by a test examination only.

Pension.

166. The boatmen claim that they should be entitled to pension after 30 years' service.

There is no ground for any exception to the pension rules which prevail in other branches of the Service.

As already stated in paragraph 158, a boatman may enter the Service between the ages of 20 and 30. If he is unfit for service previous to the completion of his 40 years his name is submitted accordingly for pension to the Treasury.

Characters.

167. The mode in which annual characters are given has been already explained in paragraph 85.

The same system is applied to the boatmen, and no charge against a boatman is entertained except after an inquiry on oath.

Additional Uniform.

168. It is asked that the supply of uniform may be increased by the grant of another pair of trousers, and a long overcoat and long oilskin or waterproof coat triennially.

The uniform at present supplied is—

A pea jacket	annually,
A pair of trousers	
A waistcoat	
A cap, crown and badge	

and a greatcoat every three years, and a pair of overalls is allowed for use when on rummaging duty.

The uniform, &c. thus supplied is considered to be sufficient.

Summary of Cost Proposals.

169. The following is the estimate of the increased cost which would result if the several proposals for increased rates of pay and increment put forward by the different classes of officers were adopted:—

Proposals submitted by the London and other Officers.

	Increase.
	£
Out-door officers	9,000
Examining officers	54,988
Surveyors	7,445
Boatmen	9,850
Sunday pay to waterguard	19,805
	101,088
Add increased cost if the Harwich proposal as to the pay of boatmen was adopted in lieu of the Liverpool proposal	11,375
Total	112,463 a year.

The Liverpool Proposals are less costly.

	£
Out-door officers (same as London)	9,000
Examining officers and assistant examining officers	38,173
Surveyors (same as London)	7,445
Boatmen	9,850
Sunday pay	19,805
Total	84,273

Glutmen.

170. The number of the glutmen employed in the Service is considerable, and till recent years it was much larger. The sum voted this year for the pay of these men is, in—

	£
London	20,000
Liverpool	10,400
Out-ports	21,000
	51,400

which may be said to represent roughly the employment of about 1,000 men. They derived their name and the temporary nature of their employment from the fluctuating amount of the work to be done at the ports, in the days when the arrivals at a port depended on any change in the wind which might enable wind-bound vessels to enter it. Though a large number of these are able to obtain regular employment in the department they have no claim to it, and their services may be discontinued at any time without notice. Warning is, however, now usually given in those cases in which the employment has been regulated for some years.

Rate of pay

171. The rate of daily pay varies a little at the different ports, and is regulated by what would be paid at them for the service of a trustworthy labourer.

Supply of candidates.

There is a most ample supply of candidates at all the ports, and as the men think it a hardship if they are discharged, there seems no ground for altering their position or increasing their pay. In London alone the men have applied to the Royal Commission for an improvement in their position, but there seems no ground for doing so. In London there is a superabundant supply of candidates, and if those not regularly employed, attend at the Custom House on the chance of employment, it may be assumed either that the rate of pay is sufficient to tempt them to do so or that they have no employment elsewhere.

Duties.

172. In their statement they have somewhat magnified the importance of their duties. It is true that samples of wine and spirits are drawn by the glutmen, but it is done under the immediate supervision of the examining officer, who is gauging the casks and who has to certify on the test papers which accompany the samples to the laboratories, that the samples have been drawn in his presence. The glutman then carries the samples to the laboratory, so that his function in this respect is little more than that of a carrier. On bonded floors in warehouses the glutmen merely act as sentries, guarding the goods when certain operations, permitted by the regulations, are being carried out, and they sometimes act as "cart followers" in charge of goods when removed from one warehouse to another.

173. The rules as to boy messengers are, with the sanction of the Treasury, mainly based upon those which are in operation in the General Post Office as regards the same class. Their employment necessarily ceases at 19 years of age.

174. It seems, however, a matter for consideration, whether, in the case of those glutmen who, at any of the ports, have been in constant employment for upwards of one year, pay might not be allowed on bank holidays and any festival kept on a week day.

H. Murray.

14 May 1889.

FOURTH REPORT

OF THE

ROYAL COMMISSION

APPOINTED TO INQUIRE INTO THE

CIVIL ESTABLISHMENTS

OF THE DIFFERENT

OFFICES OF STATE AT HOME AND ABROAD.

Presented to both Houses of Parliament by Command of Her Majesty.
1890.

LONDON:
PRINTED FOR HER MAJESTY'S STATIONERY OFFICE,
BY EYRE AND SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.

And to be purchased, either directly or through any Bookseller, from
EYRE AND SPOTTISWOODE, East Harding Street, Fleet Street, E.C., and 32, Abingdon Street, Westminster, S.W.; or
ADAM AND CHARLES BLACK, 6, North Bridge, Edinburgh; or
HODGES, FIGGIS, & Co., 104, Grafton Street, Dublin.

1890.

[C.—6172.] *Price 2d.*

COMMISSIONS.

VICTORIA, R.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith :

To our trusty and well-beloved Sir Matthew White Ridley, Baronet; Our right trusty and right well-beloved cousin Adelbert Wellington Brownlow, Earl Brownlow; Our right trusty and well-beloved Nathaniel Mayer, Baron Rothschild; Our right trusty and well-beloved Ralph Robert Wheeler, Baron Lingen, Knight Commander of Our Most Honourable Order of the Bath; Our right trusty and well-beloved Councillor George Sclater-Booth; Our right trusty and well-beloved Councillor, Henry Hartley Fowler; Our trusty and well-beloved Sir Edward Cecil Guinness, Baronet; Our trusty and well-beloved Algernon Bertram Freeman-Mitford, Esquire, Companion of Our Most Honourable Order of the Bath; Our trusty and well-beloved John Cleghorn, Esquire; Our trusty and well-beloved Alfred Spalding Harvey, Esquire; Our trusty and well-beloved Charles Edward Lewis, Esquire; Our trusty and well-beloved Arthur O'Connor, Esquire; and Our trusty and well-beloved Peter Rylands, Esquire; Greeting!

Whereas We have deemed it expedient that a Commission should forthwith issue to inquire into the Establishments of the different Offices of State at Home and Abroad:

Now know ye, that We, reposing great trust and confidence in your knowledge and ability, have authorised and appointed, and do by these presents authorise and appoint you, the said Sir Matthew White Ridley, Adelbert Wellington Brownlow, Earl Brownlow, Nathaniel Mayer, Baron Rothschild, Ralph Robert Wheeler, Baron Lingen, George Sclater-Booth, Henry Hartley Fowler, Sir Edward Cecil Guinness, Algernon Bertram Freeman-Mitford, John Cleghorn, Alfred Spalding Harvey, Charles Edward Lewis, Arthur O'Connor, and Peter Rylands to be our Commissioners for the purposes of the said inquiry.

And We do hereby authorise and empower you, or any five or more of you, to inquire into the numbers, salaries, hours of labour, superannuation, cost of the staff, and the administration, regulation, and organisation of the said offices.

You will state whether, in your opinion, the work of the different offices is efficiently and economically performed; whether it can be simplified; whether the method of procedure can be improved; and whether the system of control is deficient or unnecessarily elaborate.

As ten years have now elapsed since the adoption of the scheme of organisation recommended by the Playfair Commission, the time has come when the working of the scheme may, with advantage, be reviewed. You will, therefore, report whether the scheme has been fairly tried; whether its provisions have met the requirements of the Service, and deserve confirmation, and whether any modifications are needed to give it complete development.

Lastly, you will examine the non-effective charge of the Civil Service, and advise whether the present Pension Scales and Regulations are equitable alike to the State and to its servants.

And for the better effecting the purposes of this Our Commission We do by these presents give and grant unto you, or any five or more of you, full power to call before you such persons as you shall judge likely to afford you any information upon the subject of this Our Commission; and also to call for, have access to, and examine all

such books, documents, registers, and records as may afford you the fullest information on the subject; and to inquire of and concerning the premises by all other lawful ways and means whatsoever.

And We do further by these presents authorise and empower you, or any five or more of you, to visit and personally inspect such places in our United Kingdom and abroad as you may deem expedient for the more effectual carrying out of the purposes aforesaid.

And We do by these presents will and ordain that this Our Commission shall continue in full force and virtue, and that you, Our said Commissioners, or any five or more of you, may, from time to time, proceed in the execution thereof, and of every matter and thing therein contained, although the same be not continued from time to time by adjournment.

And We do further ordain that you, or any five or more of you, have liberty to report your proceedings under this Our Commission from time to time, if you shall judge it expedient so to do.

And Our further will and pleasure is that you do, with as little delay as possible, report to Us, under your hands and seals, or under the hands and seals of any five or more of you, your opinion upon the several matters herein submitted for your consideration.

And for the purpose of aiding you in such matters, We hereby appoint Our trusty and well-beloved Horace George Walpole, Esquire, Companion of Our most Honourable Order of the Bath, Assistant Under Secretary of State to Our Principal Secretary of State for India, to be Secretary to this Our Commission.

Given at Our Court at Saint James's the twentieth day of September, one thousand eight hundred and eighty-six, in the fiftieth year of Our reign.

By Her Majesty's command,

HENRY MATTHEWS.

VICTORIA, R.

Victoria, by the Grace of God of the United Kingdom of Great Britain and Ireland Queen, Defender of the Faith:

To Our trusty and well-beloved Robert William Hanbury, Esquire; Our trusty and well-beloved Harry Lawson Webster Lawson, Esquire; and Our trusty and well-beloved John William Maclure, Esquire; Greeting!

Whereas We did, by Warrant under Our Royal Sign Manual, bearing date the twentieth day of September, one thousand eight hundred and eighty-six, appoint Our trusty and well-beloved Sir Matthew White Ridley, Baronet, together with the several Gentlemen therein mentioned, or any five or more of them, to be Our Commissioners to inquire into the Establishments of the different Offices of State at Home and Abroad:

And whereas one of Our Commissioners so appointed, namely, Peter Rylands, Esquire, has since deceased, and two other of Our said Commissioners, namely, Sir Edward Cecil Guinness, Baronet, and Arthur O'Connor, Esquire, have humbly tendered unto Us resignations of their appointments as two of Our said Commissioners:

Now know ye, that We, reposing great confidence in you, do by these presents appoint you, the said Robert William Hanbury, Harry Lawson Webster Lawson, and John William Maclure, to be three of Our Commissioners for the purpose aforesaid in the room of the said Peter Rylands, Sir Edward Cecil Guinness, and Arthur O'Connor, in addition to and together with the other Commissioners whom We have already appointed.

Given at Our Court at Saint James's the thirtieth day of November, one thousand eight hundred and eighty-seven, in the fifty-first year of Our reign.

By Her Majesty's commands,

HENRY MATTHEWS.

REPORT.

MAY IT PLEASE YOUR MAJESTY,

WE, Your Majesty's Commissioners, appointed to inquire into Your Majesty's Civil Establishments at home and abroad, beg to present our fourth and final Report.

1. We now deal with the Foreign Office and the Diplomatic and Consular services. We have had the advantage of previous reports of Committees of the House of Commons—in 1850, 1858, 1861, 1871, and 1872.

We have examined as witnesses :—

	Page.
Sir Philip Currie, Permanent Under Secretary of State, Foreign Office	1, 33, 112
Sir Francis Alston, chief clerk, Foreign Office	15
Mr. Kennedy, senior clerk, Foreign Office	28, 67
Sir Percy Anderson, senior clerk, Foreign Office	47
Sir E. Hertslet, librarian, Foreign Office	60
Mr. Bryce, formerly Parliamentary Under Secretary of State at Foreign Office	74
Mr. Giffen, assistant secretary, Commercial Department, Board of Trade	87
Sir T. Sanderson, Assistant Under Secretary of State, Foreign Office	92
Mr. Law, commercial attaché	99
Mr. Davidson, legal assistant, Foreign Office	109
Sir Charles Dilke, formerly Under Secretary of State, Foreign Office	124
Mr. Howard, secretary of Legation at Pekin	140
Mr. Fane, secretary of Embassy at Constantinople	149
Mr. Ward, consul at Bordeaux	157
Mr. Mowatt, Treasury	161
Mr. Bourne, acting consul, China	164

2. The Foreign Office was re-organised in 1881, and is now divided into eight departments.

(1.) *The Eastern*, which deals with the affairs of Eastern Europe, Asiatic Turkey, Persia, Central Asia, Egypt, and Tripoli.

(2.) *The Western*, which takes Western Europe, Morocco, Algiers, Tunis, and the Pacific Islands.

(3.) *The American*, which takes North, South, and Central America, China, Japan, and Siam.

(4.) *The Consular*, which, in addition to consular business, deals with the East and West Coast of Africa and the slave trade.

(5.) *The Commercial*, where commercial and sanitary questions are treated.

(6.) *The Chief Clerk's*, which is charged with the financial business of the office, and the accounts of the diplomatic and consular services, with the preparation of estimates, and rendering of accounts to be laid before Parliament, and also with a variety of questions connected with the general administration of the department.

(7.) *The Library*, which has the custody, arrangement, and registry of the manuscript correspondence and of the printed library, and where memoranda on historical events, international cases, &c. are prepared.

(8.) *The Treaty Department*, in which the drafts of treaties are prepared, and which also deals with Orders in Council and various technical questions such as extradition, nationality, copyright, and enforcement of the Foreign Enlistment Act, as well as questions of Ceremonial, Royal Letters, British and Foreign orders, &c.

3. Of these, the first three are purely political, while the consular department, which deals with African questions, is partly so, and the commercial department is also partly political in the sense that there is a certain amount of confidential business transacted in it.

4. We have no evidence before us which would justify us in recommending any specific alteration in this distribution of the work which has been found to be practically satisfactory.

5. We have received certain suggestions from the Legal Assistant, for the improvement of the status of his office; but as the appointment was only made as the result of the recommendations of a special committee in 1886, we do not think sufficient time has elapsed to warrant, at present, any satisfactory conclusion being arrived at with respect to it. It may be observed, however, that Mr. Bryce, who was a member of the committee above referred to, is of opinion that there should always be an assistant legal under-secretary.

Bryce, 27,955–6.

6. The librarian has charge of the manuscript and printed library, and he is also frequently called upon to make précis and to prepare memoranda upon various subjects. The title of librarian is therefore somewhat misleading, as, while he is responsible for the general register and index of all Foreign Office papers, a part of his work approaches more nearly that of a general intelligence department. Various causes, and perhaps to a great extent the personality of the present librarian, have led to this state of things, but we are of opinion that the librarian's department should be confined as far as possible to the custody of papers for the purposes of reference. The preparation of memoranda in the various departments is their own proper duty, and constitutes of itself a valuable means of education for the staff of the office.

Currie, 26,928.

7. As regards registration, we do not think that the system of the Foreign Office is satisfactory. That system is, that two years' current papers remain in the various departments, a "diary," but no index, being kept; and at the expiration of two years they are handed over to the librarian's department, when another diary, a register, and eventually an index, are made.

Currie, 26,053.

8. The result has been that the registers in the library have fallen greatly into arrear, and ten clerks were a short time back appointed to work them up. It is anticipated that five more years will elapse, at the present rate of progress, before the registers are brought up to date. It appears to us, however, that steps should be taken to clear off the arrears at an earlier period.

Hertslet, 27,538–9.

9. But apart from the question of arrears, it appears to be thought impossible to register and index the papers till they have been bound, which takes some two years, and it has been stated in evidence, that "the correspondence of 1888, for instance, "will not be fit to be registered until the end of 1890 at the earliest." Another witness said, "I believe that the Librarian cannot commence to register corre- "spondence until after about four years have elapsed," and Sir Philip Currie expressed his opinion that the Index "ought not to be more than about five years in arrear."

Hertslet, 27,539.
Alston, 26,442.
Currie, 26,157.

10. We think that a system which produces such results, stands self-condemned, and we recommend that a regular register of all papers should be kept in each department, that it should be duly entered up and indexed every day, and that at the expiration of two years, the papers with the registers and indices complete, should be handed over to the librarian for custody, and eventual binding. Sir E. Hertslet admits the inconvenience of the present plan, and says that he "would be only too glad if "the registers were sent to him accompanied by an index, but unfortunately they "are not; and therefore, if any information were required about the correspondence "of the year 1888, the register of that year would have to be examined. That entails "a great deal of labour, but as it is now, the correspondence not for one year only, "but for ten years or more, will have to be looked through until the arrears are "worked up."

27,540.

11. It would probably be found that in normal times, at all events, this work could be done without any increase of staff, taking into consideration that the "diary" which is already kept in each department would be superseded by the departmental register, and also the admitted fact that the staff is not always under ordinary circumstances fully employed. We believe also that this work would be a useful training for the junior political clerks and diplomats, provided that they were not kept at it for too long a period.

12. For all copying, other than that of confidential papers, we think that a copying room should be established, where type writers might be mainly employed. By this means it might be found possible to reduce the number of the political clerks, who would be relieved of a considerable amount of their present work, and who would, at any rate, have more time for undertaking the duties of registration.

13. The Foreign Office is manned by three classes of clerks which are entirely distinct:—

(i.) Clerks who may for convenience sake be called political, and who enter by limited competition on the nomination of the Secretary of State. These are the confidential and distinctly first division clerks of the office, by whom the political work is exclusively done.

(ii.) Clerks whom Sir Philip Currie has for the purposes of comparison called "supplementary," who, before the introduction of lower division clerks, did all the other work of the department. They also are nominated by the Secretary of State, and in some cases compete, in others, as in the chief clerk's and treaty departments, are subject merely to a test examination. Currie, 26,007.

(iii.) Lower division clerks, who were first introduced into the Foreign Office in 1881.

14. We see no advantage in the retention of the class of supplementary clerks, and recommend that no more of that class be appointed. Their work has been principally under the chief clerk and the librarian, and in the treaty department, *i.e.*, in the subsidiary or non-political departments, and could be adequately performed by second division clerks. Some of the salaries now paid to the supplementary clerks reach 650*l.*, and while duly regarding the fair claims of those now in the service, it would be possible gradually to make the higher posts staff appointments, carrying even less salary than 650*l.*, which should be open to second division clerks who have by good work in the various branches deserved special promotion.

15. In our second Report we recommended that, after the issue of general regulations for the organisation of the Civil Service in an Order in Council, every department should be called upon to formulate its normal establishment in accordance with those regulations, and that the consideration of those establishments should be referred to a permanent consultative committee.

16. The Foreign Office should form no exception to this rule, and we think that, in the same way, its normal establishment should be, as nearly as possible, determined in the light of the changes that have already taken place, and of such changes as may be the result of our present recommendations, and that the requisite reductions and alterations should be gradually introduced as vacancies occur.

17. We do not agree with the policy of keeping our foreign service either at home or abroad upon a scale of numbers above the average daily demand for its own proper duties. In these days of rapid communication and locomotion, extraordinary pressure at one point may be met by calling officers from another. We repeat our conviction that the employment of political clerks and attachés upon mechanical work, when protracted beyond purposes of instruction, spoils young officers for higher duties.

18. The general work of the Foreign Office commences at 12 o'clock; but the commercial and chief clerk's departments open at 11, and there are resident clerks who open the letters. The amount of work fluctuates very much, and we have had evidence that later attendance is, owing to various reasons, more frequently required in the Foreign Office than in other offices, so that it is more difficult to lay down precise regulations in this than it is in other cases. Currie, 26,322. Bryce, 27,934.

We think, however, that if the present hour of commencement of work is maintained, it is at any rate essential that one clerk should be in attendance in each department at 11 o'clock, so that the papers arriving in the morning may be duly registered and prepared for the necessary action to be taken upon them by the head of the department upon his arrival.

19. We have received evidence from Mr. Giffen respecting the relations between the Foreign Office and the Board of Trade, and are glad to endorse his opinion that the arrangements are, in principle, satisfactory. The commercial department of the Foreign Office is one for negotiating commercial treaties; that of the Board of Trade for the publication of information. The Foreign Office, by its reports from secretaries of legation and consuls, supplies the Board of Trade with a good deal of the material which the latter works up for publication, and the Board of Trade give advice to the Foreign Office with regard to the negotiation of commercial treaties. There are daily communications between the two offices on shipping and commercial questions, and the practice which at present prevails upon all these points only requires a little more extension to be completely satisfactory. Giffen, 28,187.

20. There are at present 10 foreign service messengers, receiving 400*l.* a year and entitled to a pension, with an allowance of 1*l.* a day and travelling expenses when abroad on duty. They must be British subjects between the ages of 25 and 35 on appointment. They are nominated by the Secretary of State and pass a test examination.

Dilke 29,125–6, 29,137.

We think that it is necessary to maintain an adequate staff for the purpose of transmitting confidential despatches which cannot satisfactorily be sent in cypher. Foreign Governments use such messengers to a greater extent than we do, and it is possible that our service may be unduly curtailed owing to the comparatively high salaries which we pay.

We are of opinion that no fresh appointments should be made upon the present scale, and that, in future, 150*l.* to 200*l.* should be the salary. The service should be mainly recruited from officers of the Army and Navy on half-pay, or in receipt of pension, and who could produce unqualified certificates of character and pass a satisfactory examination in colloquial French and in at least one other continental language likely to be useful for their duties. To this should be added the present conditions of being British subjects, of possessing vigorous health, competency to perform journeys on horseback, and a sufficient knowledge of making up intelligible accounts. The age at date of appointment should be from 25 to 40, and we do not, therefore, recommend the introduction of competition. But the greatest care should be taken to select men who are thoroughly honest and trustworthy.

21. There are at present eight home service messengers who carry the boxes containing the foreign business transacted between the Secretary of State and the Queen and Ministers, and who also deliver other communications not transmitted through the post.

Five of these now receive 200*l.* a year, and three 150*l.*, with travelling expenses, and they are eligible for pensions.

Thoroughly trustworthy men are required also for this work, but we think that here also the salaries are unnecessarily high, and that 100*l.* to 120*l.* would be ample, and that non-commissioned officers of the Army and Navy in receipt of pension might, as a rule, be employed, and upon the same conditions as at present.

22. There is no reason why men of this class should not also, if qualified, be employed as foreign service messengers, but it would probably be rare to find them possessed of the requisite knowledge of foreign languages. And if such men should, as an exception, be found and so employed, we should not recommend any different scale of pay or allowances than that which we have proposed for the more responsible, and therefore better paid, posts of messengers on foreign service.

In both classes we think that retirement should not be postponed beyond 60 years of age, and that there should be no added years in calculating pensions.

23. First appointments to political clerkships in the Foreign Office are now made by limited competition, the Secretary of State nominating from his list a certain number of young men to compete for a vacancy.

First appointments to the diplomatic service are similarly made, but it is the practice to expect a private income of at least 400*l.* a year to be guaranteed to every attaché, who receives no pay until he has completed two years of service, and has obtained his commission as third secretary.

Bryce, 27,961–3. Dilke, 29,197.

24. The evidence which we have received points to the conclusion that both the Foreign Office and the Diplomatic service are well recruited, but that on the whole the Foreign Office commands the ablest men.

It does not appear to us desirable to employ young men in the regular government service for two years without salary, or to make a property qualification a condition of entrance.

There are other considerations also which have often been urged, and which point to an amalgamation of the Foreign Office and Diplomatic services. Such a system would supply the office at home and the embassies abroad with men of more varied training; it would enable times of pressure at any point to be met by more ready transfer; it would fill the ranks with men from whom from the first more steady work might be required; it might be expected to reduce the number of junior diplomatists, and to secure more constant promotion.

25. We recommend accordingly that there should be one foreign service entered by limited competition, and on the same examination, as that which now obtains for the Foreign Office, the limits of age being fixed at from 20 to 24. If the necessities of service abroad require in some cases more private means, it will always happen that by a process of natural selection as well as by the exercise of the discretion of the Secretary of State, those who can best afford it, and who show a special fitness and inclination for such service, will gravitate in that direction. We recommend, however, service of two years in the office at home before a young man is sent abroad, during which period care should be taken that he has the opportunity of training in commercial as well as diplomatic business.

26. The circumstances of the foreign service are exceptional, and we think that competition for it should remain limited, the responsibility being thrown upon the Secretary of State of securing that there should be real and effective competition for each vacancy, but that every competitor should be, so far as can possibly be ascertained, a person of such antecedents and character as to render him *primâ facie* a fit and proper person to be entrusted with the affairs, often delicate and confidential, of the British Foreign Office.

27. In order to carry out an arrangement whereby men entering the foreign service should, if showing capacity, have the same chances of promotion, whether serving at home or abroad, attachés would have to commence upon the same scale as that fixed for the Foreign Office. The existing scale is :—

4	Junior Clerks	100*l.* by 20*l.* to 200*l.*
20	„ „	200*l.* by 20*l.* to 600*l.*
7	Assistant „	700*l.* by 25*l.* to 800*l.*
5	Senior „	900*l.* by 50*l.* to 1,000*l.*

We recommend for an amalgamated foreign service the scale which we suggested for clerks of the first division, viz. :—

200*l.* by 20*l.* to 500*l.*
600*l.* by 25*l.* to 800*l.*
850*l.* by 50*l.* to 1,000*l.*

with the exception that in the special circumstances of this service, the first year should be regarded as one of probation, during which there should be a salary of only 100*l.*

We do not think that a system of allowances when on service abroad would work well. The amount would have, in fairness, to be varied according to the different cost of living in different foreign capitals, and could not satisfactorily be determined, and it would come to be regarded as a portion of the salary, and would render free transfer more difficult.

28. The total cost of the Foreign Office annually, on the assumption of present numbers, would upon this scale be slightly less than at present; but it would effect an improvement in the salaries of the junior diplomatists up to the rank of secretaries of embassy.

The salaries of the present diplomatic service are as follows :—

Attachés : for two years, no salary.
Third secretaries : (150*l.* + 100*l.* for law) 250*l.*
Second secretaries : 300*l.* by 15*l.* to 450*l.* ; one post at 500*l.*
Secretaries of legation : varying from 500*l.* to 800*l.*, with an addition of 250*l.*, after 10 years' service as such.
Secretaries of embassy : varying from 700*l.* to 1,000*l.*, with certain house allowances.

We should propose that secretaries of embassy be graded with senior clerks in the Foreign Office, and receive salaries of 850*l.* by 50*l.* to 1,000*l.*

That secretaries of legation be graded with assistants on salaries of 600*l.* by 25*l.* to 800*l.*

That second and third secretaries and the attachés (at present unpaid), be graded with clerks on salaries of 200*l.* by 20*l.* to 500*l.*, but receiving during their first year's service, which would be passed in the Foreign Office, only 100*l.*, as suggested above.

29. When the rank of secretary of embassy or senior clerk has been reached, there would, as a rule, be no more interchange, and the officer's career would be fixed for service at home or abroad as the case might be.

30. We should propose to do away with the house allowances of secretaries of embassy and legation, and with the allowance of 100*l.* now given to third secretaries for a special pass in law.

31. With a view of seeing what would be the comparative cost of our proposed scale, we have prepared the accompanying table showing the salaries in 1889–90 of the under-mentioned officers, and also the salaries they would have received had they been appointed on the proposed scale, the same date of appointment and rate of promotion being assumed.

Appointment.	Present Scale.	House Allowances.	Proposed Scale.
	£	£	£
7 Secretaries of Embassy - - -	6,000	1,000	6,850
15 „ „ Legation - - -	9,250	400	10,675
31 Second Secretaries - - - -	11,685	—	12,000
*4 „ „ (average) - - -	1,508	—	1,552
18 Third Secretaries - - - -	4,500	—	4,580
6 Attachés - - - - -	—	—	1,200
	32,943	1,400	36,857
	34,343		

* These four having been appointed direct from the Foreign Office, and, therefore, not having passed through the usual grades of the diplomatic service, their salaries have been calculated upon the average of the other 31 second secretaries.

From this table it will be seen that, on the assumption of *present numbers* and rate of promotion, the adoption of the proposed scale of salaries would have resulted, in the year 1889-90, in an excess of 2,514*l.* upon the cost of the diplomatic service as at present constituted, of which 1,200*l.* would be due to the payment of attachés during the first two years of service.

32. We should expect that with a service amalgamated as suggested, it might be possible to reduce the number of junior diplomatists, and of clerks in the Foreign Office; for there would be complete interchange, and readier means of employing men wherever pressure of work required it at home or abroad.

At the same time we should expect that it would give steadier promotion, and afford a better opportunity of employing men, according to their proved capacity, wherever their services might be most useful.

There would be considerable economies also effected by the substitution of second division for the present supplementary clerks, by the establishment of a copying room, by the reduced scale of salaries for foreign service and other messengers, and by the reduction in the staff of the Librarian's Department consequent on the registers and indices being transferred to him in a complete state.

Appendix, page 176.

33. A Foreign Office memorandum will be found in the Appendix giving the details of the diplomatic service, "the constitution of which remains based in all important "particulars on the recommendations made in the report of the Select Committee "on Diplomatic and Consular services, which was presented to Parliament in 1871."

Appendix, page 183.

We draw special attention to the statements in the Appendix setting out in detail the salaries, house rents, and allowances voted in respect of their several embassies and legations abroad by Great Britain, and, so far as they can be ascertained by France, Germany and Prussia, Italy, and Russia, and a table in which the totals are brought together for purposes of comparison.

34. The Committee of 1871 reported that "the evidence has not shown that the "expenditure upon the diplomatic service has been extravagant, nor that its conduct "has been inefficient," and we are generally led to the same conclusion.

35. The whole scale of salaries paid by Great Britain to its public officials is higher than that paid by any other country, and taking this into account, and the fact that our interests require us to be very widely represented in all parts of the world, it does not appear from a close examination of the comparative table that the cost of our establishments is on the whole excessive.

Dilke, 29,106.

The truest comparison is probably to be found between our system and that of France, and it is the opinion of Sir C. Dilke that if the totals (embracing the diplomatic vote, the consular vote, the buildings, and the Foreign Office vote) are

taken, the French service works out as slightly in excess of our own, the figures being 540,000*l.* or 550,000*l.* to 520,000*l.*

36. There has been some diminution in the number of the small German missions, and it is now proposed, on the occurrence of vacancies, to amalgamate the missions at Munich, Darmstadt, and Stuttgardt. Sir P. Currie thinks that it is desirable to keep up these missions, as they have opportunities of getting information which cannot easily be got anywhere else. We are not in a position to judge as to any further reasons, political or otherwise, which may exist for maintaining these missions, but subject to the possible existence of any such reasons we consider that their further reduction and ultimate abolition ought constantly to be kept in view. Currie, 26,906. Currie, 26,904.

37. We have not been able to obtain any evidence which would justify us in giving a definite opinion upon the salaries attached to particular embassies, or upon the precise numbers of their staff. The salaries of our ambassadors are not fixed with relation to the importance of the different posts, but in accordance with the presumed cost of living, and the charges of maintenance. And it may probably be that in some cases the embassies are overhoused. It is not clear that the total charges as set out in the comparative table above referred to, are so fully given in the case of other countries, as in our own estimates; but it would certainly appear from the figures that the expenses, for instance at Paris, might be reduced, and we have had some evidence to that effect. Dilke, 29,096, 29,100, 29,049–51.

As regards the evidence which we have received that, saving existing rights, there might be a reduction of the ambassador's salary at Vienna and Rome, we are not in a position to make any more precise recommendation than that with reference to these and all other posts, opportunities should be taken of revising the salaries according to the varying circumstances of each capital, and our requirements there. As regards the staff generally, we think that besides reductions which may even now be possible, the amalgamation of the Foreign Office and diplomatic services would tend in that direction. 29,054.

38. We do not recommend the introduction of any fresh class of clerks to perform the routine and non-confidential work of the embassies. It is inevitable that there should be days when the regular staff have time in hand, and, as in the case of similar work at the Foreign Office, it is a useful training for them that they should perform it. It is very desirable, however, that such employment should be confined, as far as possible, to the junior men.

39. Some use, as heretofore, and as is the case to a larger extent in most foreign countries, might still be made of honorary attachés, provided they in no way interfere with the better employment or promotion of men regularly in the service.

40. There are at present six chaplains appointed under the special circumstances set out in the Appendix. We consider that no such appointments should in future be made, Parliament of course being able to provide for any unforeseen and special circumstances which may arise. Currie, 27,079. Appendix, page 192.

41. The Diplomatic Pensions Act, 1869, differs materially from the ordinary Civil Service Superannuation Act. It fixes a certain maximum for first, second, third, and fourth class pensions, according to length of service as ambassador, on a mission of the first class, on a mission of the second class, or (for fourth class pensions) in the lower ranks of diplomacy.

42. Special considerations apply to persons serving in the first three capacities, and we do not think it necessary to propose any alterations, except that we can hardly see a reason why an aggregate of three years' service instead of five, as in the next two classes of pensions, should entitle ambassadors to a first class pension.

43. Should our recommendations for amalgamating the services be adopted, the fourth class pensions would disappear, and these officers would all come under the ordinary civil service rules, and this would be a great advantage, and remove many difficulties which now exist.

In case, however, this amalgamation should not be carried out, we should be in favour of doing away with fourth class pensions, and bringing those men who are now eligible for them under section 8 of the Act, altering five years to 10, and fixing some age (say 60) at which an officer could claim to retire without medical certificate. We are also of opinion that the pensions should be calculated by sixtieths of salaries, and not by thirtieths as at present.

Consular Service.

Appendix, page 177. 44. A memorandum will be found in the Appendix summarising the recommendations of the House of Commons' Committees of 1858 and 1872 on the consular service, and showing the steps which have since been taken by the Foreign Office to carry those recommendations into effect.

Bryce, 28,028. Law, 28,424 45. The evidence which we have received points to the conclusion that the country is well served by its consuls, and that comparisons with the practice of other countries is not to our disadvantage, in point either of efficiency or economy. It has not been the practice, nor is it desirable, to encourage our consuls to push the interests of particular traders, so much as is done, *e.g.*, by Germany. Information as to the conditions of trade in the districts where they are located, and as to fresh openings for British enterprise, is, besides their ordinary consular duties to British merchants and travellers, the principal object to which the interests of the country require that their attention should be directed. And we are glad to be able to say that it is the general opinion of all the witnesses whom we have examined, that the care bestowed by consular officers upon commercial reports is one of the most marked features of progress in the service. We point especially to the evidence of Mr. Giffen upon this subject.

Giffen, 28,174.

46. As regards the organisation and classification of the service, it is now divided into two branches—

(1.) Those who enter the service as a career, after passing an examination before the Civil Service Commissioners, and who are prohibited from trading;

(2.) Those either engaged in trade or who are permitted to do so. These are unsalaried.

47. There are about 500 of the latter class, and the expense alone of carrying out a scheme of turning all these into paid consulates would prevent such an idea being adopted.

48. The consular service in China, Japan, and Siam, which is recruited from student interpreters selected by open competition continues to be as efficient as when the Committee of the House of Commons of 1858 expressed their approval of it.

For consular officers in Turkey, the Levant, Persia, Greece, and Morocco, a scheme has been in operation for some 12 years for the education of young men selected by open competition. They also enter as student interpreters, and are educated at Ortakeui, and eventually, after passing two examinations, become vice-consuls.

This scheme, like the China one, is costly, but it has already produced good results. Including four students in training at Ortakeui, the service now numbers 26 officers, who are serving as consuls, vice-consuls, or assistants in various places throughout these countries, with a good knowledge of the languages, and an excellent training for consular work. This service is now full and admission to it is suspended.

49. The want of a special knowledge of languages which are not ordinarily acquired constitutes one principal reason for both these schemes, but omitting that part of them which provides for this special training, it is worthy of consideration how far such a system could be introduced in the case of the consuls "*de carrière*," in respect of their appointment, grading, and promotion.

Dilke, 29,020, &c. Bryce, 27,988–9. We do not think that this object could be attained by a consolidation of the consular and diplomatic services. Sir C. Dilke is of opinion that they could be so amalgamated, as in France; but we have received no other evidence to that effect, and much against it. For the consular service special commercial training is required, and the limit of age must in consequence be higher. We recommend that men who may hereafter be appointed to the service should be required to work for some period in the commercial department of the Foreign Office, or of the Board of Trade, or even be attached to one of the great Customs Establishments at home before being sent abroad; but as a man may be called upon to fill at once, as consul or vice-consul, a post of some responsibility, and as we do not see how a young man could acquire a consular training, in the way that young men qualify for higher diplomatic or Foreign Office posts, by service at home or in the embassies, we think that it is necessary to maintain a limit of age which may indeed be as low as 25, but which might be as high as 45.

The same considerations apply to some extent when we come to review the conditions of appointment.

50. If it be once admitted, as we think it must be, that to suit the exigencies of the service, and to secure men of commercial experience, the age of entrance must be kept as high as 45—or at all events that men of this age ought not to be excluded—it appears very difficult to introduce universally the principle of competition, limited or unlimited, which can only be carried out satisfactorily when men enter at approximately the same age, and when there can be a regular gradation and promotion by merit.

51. Any such system, moreover, would require to be of general application, and it would be fatal, if in order to work it exceptions should be found to any large extent necessary.

At the same time we are not insensible to the obvious objections which attach to keeping the appointment of consuls in the absolute patronage of the Secretary of State, and which might be held to point to some general system of competition, to the same extent, at all events, as that which obtains in the foreign service.

52. Consuls are now appointed by the Secretary of State, with a limit of age 25 to 50, and subject to a pass examination in arithmetic and commercial law, and in the language or languages of the port or district to which they are appointed. These conditions can, however, be dispensed with at the option of the Secretary of State when very special qualifications are needed.

We should not wish unduly to fetter the discretion of the Secretary of State in such cases, but it ought to be very rarely exercised, and guarded by a requirement of special report to Parliament or otherwise.

53. On the whole we consider that an attempt should be made to grade consulates and vice-consulates according to the salaries which appear necessary for the various posts, and perhaps also to group according to countries in cases where the language or other circumstances point to the possibility of doing so, so as to afford promotion from third to second and first class places. It is possible also that some increment of salary might be given, without change of post, for good service over a defined period.

We should hope that to some extent the advantage of rewarding good service might be attained by the suggestions which we have made, viz., by some system of promotion being introduced; but, if it is within our province, we would venture to propose that meritorious services of consuls might, to a larger extent than heretofore, be rewarded by honorary distinctions.

It should be understood that in making the above observations we have no intention of suggesting any change in the existing system, by which occasionally transfers from the diplomatic to the consular service and *vice versâ* have taken place. Such transfers may be attended with great advantage, and may be the means of rewarding exceptional fitness as well as of improving the public service.

54. There are two commercial attachés, who are stationed, one at Paris and the other at St. Petersburg. The latter appointment is for Russia, Persia, and the Asiatic Provinces of Turkey; the former for the rest of Europe. Mr. Law, whose head-quarters are at St. Petersburg, describes his duties as being to collect information, and to attend to special commercial questions—for which purpose he visits different ports and centres of industries. We have tried to satisfy ourselves as to whether we should recommend an increase in the number of these appointments; but though it is clear that the creation of the two posts is amply justified, we do not think that the experience as yet derived from them is conclusive as to the propriety of incurring any additional expenditure at present in the same direction. It is quite possible, however, that as time goes on, it may be found that the value of these posts is sufficient to justify some further increase in their numbers, more especially as the area committed to one at any rate of the commercial attachés is at present so extensive that it is scarcely possible for one man to adequately deal with it. It is not to be forgotten also that these officers are in reality more strictly diplomatic than consular; and we think that increased encouragement should be given to the acquisition of commercial knowledge among the diplomatic staff, and that they might be rendered more available for this very useful and important work. Law, 28,410.

55. In our second report we laid down the general principles upon which we thought that the clerical establishments of the State should be organised. We felt it impossible for a body constituted like ourselves to examine in sufficient detail, or to criticise effectively, the working strength of each individual office. And we accordingly recommended that the Government should take in hand, by means of a consultative

committee, the immediate dealing with the various departments, in the light of such general changes as they might adopt.

56. To this recommendation we continue to attach the greatest importance, and we venture to again express our strong opinion that that method should be adopted of reviewing immediately, and from time to time, not only those departments which have come partially under our own survey, but all the other offices also, including the Scotch and Irish ones, without exception.

57. There are further questions, other than those which we have more particularly handled, with reference to the non-clerical staff of such establishments as the Revenue Departments, and that of Education, Science and Art, and possibly Law and Justice, which raise somewhat different problems, and with which we have not attempted to deal.

58. Again, though not, as we understand, appointed with the main object of considering grievances, we have invited free communications from all civil servants, and endeavoured, so far as we could, to consider them—having during the long period of our sittings heard many witnesses from various classes of clerks, whose cases have been fully set out in our reports and appendices, and are, so far as we have not reported upon them, recommended to the careful and early consideration of the Government.

59. We desire at the conclusion of our labours to express our very high sense of the invaluable assistance afforded to us by our secretary, Mr. Horace Walpole, C.B. His official knowledge, great ability, and untiring application have been, during the whole of our Inquiry, at the constant disposal of the Commissioners—individually and collectively—and we wish accordingly to place upon record, in the most emphatic manner, our strong appreciation of his services.

All which we humbly submit for the gracious consideration of Your Majesty.

M. W. RIDLEY.
BROWNLOW.
ROTHSCHILD.
BASING.
HENRY H. FOWLER.
CHARLES E. LEWIS.
A. B. FREEMAN MITFORD.
J. CLEGHORN.
*R. W. HANBURY.
A. S. HARVEY.
*H. L. W. LAWSON.
*JOHN W. MACLURE.

HORACE WALPOLE, *Secretary.*
30th July 1890.

I do not agree with so much of this report as would completely identify the service of political clerks in the Foreign Office with the service of attachés and secretaries abroad, assigning to the amalgamated service the Foreign Office scale of salaries, and no longer insisting upon the proof of private means from candidates for diplomatic employment abroad.

If any change of the kind were to be made, I should prefer uniform salaries, with a scale of allowances for service abroad. I see no reason to apprehend that these allowances would come to be regarded as part of the salaries; that is not found to be the case with the travelling officers of the Home Office, Board of Trade, Education Office, Local Government Board, and other public departments employing such officers. Nor do I see any greater difficulty in apportioning allowances for diplomatists than for consuls, according to the cost of living at different stations. So far from such adjust-

* Subject to subsequent observations.

ments rendering the transfer of consuls difficult, they are said to promote it. I feel convinced that allowances for foreign service would spring up under a system of identical salaries for diplomatic service at home and abroad, started on the principle of relief from private outlay.

I do not, however, find in the evidence proof of failure sufficient to justify, in my opinion, the cost of any such change; nor am I satisfied that it would secure the services of men, in all respects, better qualified than those now employed for diplomatic service in foreign capitals. The degree of voluntary fusion which is said to exist between the services in Downing Street and abroad, appears to me to answer all the conditions of interchangeability which the public interest requires, and, at the same time, to offer that variety of careers which attracts to the public service candidates of different tastes and means.

As regards the establishment in Downing Street, I could not concur in the terms of censure which are passed upon the present system of registration, unless I understood them to be confined to the delay which attaches to it in practice. I desire to put beyond all doubt the meaning which I attach to this part of the Report. If the departmental "diary" is an imperfect form of register, and lacks an index, and if the papers after they reach the library from the departments take two years to bind, these are defects of detail easily remedied. But the system itself of departmental registration appears to me to be essential to the separation of the confidential from the other papers that are daily arriving; and upon the possibility of this separation appears to me to depend the possibility of dividing the Foreign Office into *political* and *subsidiary* departments; and lastly, the possibility of this division determines the extent to which ordinary civil service clerks of the second division can be introduced into the foreign, as into other public, offices.

These conclusions I have supported by detailed references to the evidence in the paper I submitted to the Commission as "materials for a draft report." I think that the amalgamation of the Consular and Commercial Departments should be considered.

I sign the report subject to these reservations.

LINGEN.

I agree with the opinion expressed in the report, that it is impossible, for the present, at any rate, to amalgamate the diplomatic and consular services. On the other hand, I wish to emphasise the opinion expressed as to transfers from the one to the other, and to go somewhat further towards Sir. C. Dilke's conclusions based on his knowledge of the French system of a consolidated foreign service, with free interchange between the different branches. He pointed out the advantage of lessening the distinctions between consulates and embassies or legations, and with this suggestion I agree. It would also, I think, be found possible to make transfers or promotion from the consular to the diplomatic service more regular and frequent. In a few notable cases men have passed from one body to the other with great advantage to the State, and once at least the reverse process has taken place. Sir P. Anderson thinks it would be impossible to effect any further consolidation, because he says, "We discourage "the political consul." The special conditions of the consular service in Turkey and China, and the countries grouped with them, show that this is not strictly accurate, for, except in name, most of the matters with which they deal are as much diplomatic as consular in bearing. I believe the door of promotion might with safety be opened wider where officials in the performance of their consular duties show special fitness for higher and more responsible work. In this way there would always be a possibility of exchange between the two bodies when occasion offered, and adequate encouragement would be given to zeal and ability in the subordinate branch of our foreign service.

Dilke, 29,073-6. 29,061.

Anderson, 27,396.

H. L. W. LAWSON.

We are unable to agree with the recommendation that this Commission should terminate its labours without an inquiry into the Scotch and Irish offices, which are included within the terms of our reference.

R. W. HANBURY.
H. L. W. LAWSON.
JOHN W. MACLURE.

FOURTH REPORT

OF THE

ROYAL COMMISSION

APPOINTED TO INQUIRE INTO THE

CIVIL ESTABLISHMENTS

OF THE DIFFERENT

OFFICES OF STATE AT HOME AND ABROAD.

MINUTES OF EVIDENCE, WITH SUMMARY, AND APPENDIX.

Presented to both Houses of Parliament by Command of Her Majesty.
1890.

LONDON:
PRINTED FOR HER MAJESTY'S STATIONERY OFFICE,
BY EYRE AND SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.

And to be purchased, either directly or through any Bookseller, from
EYRE AND SPOTTISWOODE, EAST HARDING STREET, FLEET STREET, E.C., and
32, ABINGDON STREET, WESTMINSTER, S.W.; or
ADAM AND CHARLES BLACK, 6, NORTH BRIDGE, EDINBURGH; or
HODGES, FIGGIS, & Co., 104, GRAFTON STREET, DUBLIN.

1890.

[C.—6172.–I.] *Price* 1*s.* 9*d.*

CONTENTS.

	Page.
Index to Summary of Evidence	iv
Summary of Evidence	v
List of witnesses	xxv
„ „ arranged alphabetically	xxv
Minutes of Evidence	1

APPENDIX.

Circular letter addressed to Heads of Departments	169
(1.) Foreign Office, answer to circular letter	169
(2.) Memorandum. Foreign Office Establishment	173
(3.) „ Messengers	175
(4.) „ Diplomatic Establishment	176
(5.) „ Consular Service	177
(6.) Paper handed in by Sir Philip Currie. Statement showing total cost for salaries, house rent, and allowances at the several Embassies and Missions abroad, defrayed out of the Vote for Diplomatic Services	178
(7.) Paper handed in by Sir Philip Currie (*see* Question 26,840). Conditions of admission to the French, German, Austrian, and Italian Foreign Offices	180
(8.) Paper handed in by Sir P. Currie (*see* Question 26,841). Statement showing the minimum and maximum salaries of the Foreign Office, and the amount voted for the year 1889–90	180
(9.) Paper handed in by Sir P. Currie (*see* Questions 26,841–2). Cost of French and German Foreign Offices	181
(10.) Paper handed in by Sir P. Currie (*see* Question 26,910). Statement showing the various countries which maintain diplomatic representatives at the lesser German Courts	182
(11.) Table showing the cost of the Diplomatic Establishments of Great Britain, France, Germany, Prussia, Italy, and Russia	183
(12.) Paper handed in by Sir P. Currie (*see* Question 26,963). Salaries, &c., of French Diplomatic Service	183
(13.) „ „ „ „ „ Italian „ „	186
(14.) „ „ „ „ „ Russian „ „	187
(15.) „ „ „ „ „ Prussian „ „	188
(16.) „ „ „ „ „ German „ „	188
(17.) Paper handed in by Sir P. Currie (*see* Question 26,983). Instructions to Her Majesty's Diplomatic Representatives and Consuls in regard to trade	191
(18.) Paper handed in by Sir P. Currie (*see* Question 27,066). Explanation of increase of Sub-head A. of the Diplomatic Service Vote	191
(19.) Paper handed in by Sir P. Currie (*see* Question 27,079). Chaplains	192
(20.) „ „ „ (*see* Question 27,114). Salary of Physician at Constantinople	193
(21.) „ „ „ (*see* Question 29,017). Information as to the system of pensions of the Diplomatic Service in Foreign Countries	193

INDEX TO SUMMARY OF EVIDENCE.

	Page.		Page.
Alston, Sir F. - - - -	viii	Giffen, R. - - - -	xvi
Anderson, Sir P. - - -	xi	Hertslet, Sir E. - - - -	xiii
Bourne, F. S. A. - - -	xxiv	Howard, H. - - - -	xxi
Bryce, J. - - - -	xiv	Kennedy, C. M. - - -	ix
Currie, Sir P. - - - -	v	Law, E. F. - - - -	xvii
Davidson, W. E. - - -	xviii	Mowatt, F. - - - -	xxiii
Dilke, Sir C. - - - -	xix	Sanderson, Sir T. - - -	xvi
Fane, E. D. V. - - -	xxi	Ward, W. - - - -	xxii

SUMMARY OF EVIDENCE.

For Index *see* preceding page.

Sir PHILIP CURRIE.

Permanent Under Secretary of State, Foreign Office - - - - - - 25,980
The office was reorganised in 1881 and 1882 25,981–4
Four lower division clerks were then appointed - - - 25,981, 25,984, 25,995
There is a senior clerk at the head of each of the eight departments - - - 25,985, 26,041
Who is primarily responsible to the Under Secretary of State - - - - - 26,042
The departments are divided amongst the under secretaries - - - - - 26,043–6
The Eastern, Western, and American are purely political departments - - 25,985
In which no lower division clerks are employed - - 25,991, 26,002, 26,219, 26,270
The consular and commercial departments are partly political - - - - - 25,985
The chief clerk's, librarian's, and treaty departments are not political, and are manned by supplementary and lower division clerks - 25,985, 25,988, 25,991–2, 26,002, 26,005–6, 26,180, 26,846, 26,920
It would be inconvenient to shift men from the non-political to the political departments, and *vice versâ* - 26,851–6, 26,926–7, 26,940

The clerks on the diplomatic establishment are equivalent to upper division clerks in other offices - - - 25,986–7, 26,922
They do the confidential work - - 25,988
It is necessary to have men of this class - 26,112, 26,180
These clerks are divided into four classes - 26,113–7
For senior clerkships the best man is selected - - - - - - 26,118–20
Irrespective of seniority - - 26,120, 26,123–4
For assistantships the first fit man is selected 26,121–2, 26,125–6

The supplementary clerks are technically upper division clerks - - - 25,987
The lower division clerks occupy the same position as lower division clerks in other offices - - - - 25,989–90, 26,032–5
They are employed on copying, registration, &c. - - - - - - 26,003–4
There are two classes of clerks entirely apart from the lower division, viz., the clerks on the diplomatic establishment and the supplementary clerks - - 25,992–3, 26,108–11
Four new lower division clerks were recently added to work up arrears in the library - 25,995–26,000

Ten other clerks were appointed for five years for the same purpose - 25,997, 26,001, 26,221–2
The indices now are being worked up with the utmost speed - - - - - 26,938
The diplomatic establishment clerks and the supplementary clerks are appointed by limited competition, after nomination by the Secretary of State - 26,007, 26,018–9, 26,021, 26,024–5, 26,030–1, 26,082–4, 26,128–31
The examination for the librarian's department is the same as for the diplomatic establishment - 26,007, 26,018–9, 26,021, 26,948–51
But for the chief clerk's and treaty departments test examinations only are required - - 26,007, 26,021, 26,948, 26,951–2
Separate lists of candidates are kept for the diplomatic and supplementary clerkships - - - - - - 26,036, 26,846
Salaries of the supplementary clerks - 26,008
They are entitled to pensions - - - 26,009–10
They are paid less than the diplomatic clerks, and do different work - - - 26,111–3

They are not promoted to the diplomatic clerkships - 26,014–17, 26,020, 26,022, 26,261–2
This bar to promotion does not have a prejudicial effect on their work - - 26,202–5
No lower division clerk has ever been promoted to a supplementary clerkship - 26,026–9
The resident clerks decipher telegrams arriving at night, and open letters in the morning - - - - - 26,063, 26,074
After that the letters are opened by the Under Secretary's private secretary - 26,075–80
The resident clerks are always members of the diplomatic establishment - - 26,066, 26,073
No supplementary clerk would ever be appointed a resident clerk - - - 26,081
Letters and papers are ready for heads of departments and the under secretaries when they reach the office - - 26,064, 26,067–72
Office hours are from 12 to 6 - 26,065, 26,148–53, 26,322–7

The hours of the Foreign Office have always been late, and if it opened at 10 it would not be able to close any earlier - - 26,322
But the bags are opened and the letters distributed the first thing in the morning by the resident clerks - - - 26,323–4
The commercial and financial departments open at 11 - - - 26,325
If it were the rule that the hours of attendance should be seven, it would not make much change - - - 26,326–30
The clerks work very hard, and come punctually - - - - 26,331–8
The heads of departments are responsible for proper attendance - - - 26,335
The cipher work is done in each department 26,340–4
Thinks that the standard in the Foreign Office examination is higher than in that for the first division of the rest of the Civil Service - - - - 26,132–6
The Foreign Office employs a type writer, who does her work very well - - 26,137–41
Four of the staff of the Foreign Office hold private secretaryships - - - 26,142
And the two private secretaries to the Prime Minister are charged to the Foreign Office vote - - - - - - 26,143–7
Established clerks have two months leave a year; lower division clerks have one - 26,154–5
The librarian has the custody of the papers after two years - - - - 26,047
The two years current papers remaining in the various departments - - - 26,048
Who keep a diary of them - - - 26,053–61
Thinks that this plan is better than having one register for the whole office - 26,062, 26,266
Has never found any difficulty in procuring papers when wanted - - - 26,059–61
The librarian also prepares memoranda when required to do so, especially on past papers - - 26,049–52, 26,928–30, 26,932–3
Many memoranda are prepared in the departments - - - - 26,928, 26,932
Cost of the librarian's department - - 25,156
It will be reduced when the arrears are worked up - - - - - 26,156–7
The librarianship, when vacant, will be filled up by the best man that can be found, whether inside or outside of the office - 26,158–68, 26,268, 26,935, 26,939
The sub-librarian should be chosen from men in the department - - 26,169–70, 26,267–8, 26,939

Summary of Evidence.

SIR PHILIP CURRIE—*cont.*

The present librarian is an index in himself - 26,933, 26,936–7

In the non-political departments lower division clerks might be substituted for some of the supplementary - 26,171–8, 26,290–2, 26,847, 26,860, 26,862, 28,721

But they would require to be supervised by supplementaries - 26,849–50, 26,857–9, 26,861, 26,945–7, 28,721

Does not think that lower division clerks could be employed in the political departments - - - - - - 28,722–3

No first division clerks from other offices have been transferred to Foreign Office - 26,182

Would not like to take a man without an opportunity of inquiring as to his capabilities - - - - - - 26,183–4

Limits of age for Foreign Office is 18 to 24 - 26,186, 26,917–8

Careful inquiries are made as to character and fitness of candidates on list before they are nominated to compete - 26,185–8, 26,200–1

Thinks there are strong reasons against opening the Foreign Office to open competition - - 26,189, 26,196–9, 26,249–50, 26,295

The justification for the system of nomination is the confidential nature of the work 26,189, 26,196–9, 26,269, 26,281, 26,295

Not necessary to make any condition as to private means for clerks in the Foreign Office - - - - - 26,190–4, 26,293

Though it is necessary for the diplomatic service abroad - 26,191, 26.293, 26,866, 26,871–2, 26,962, 27,137

The practice is, that men appointed to the diplomatic service are expected to have 400*l.* a year of their own - - - - 28,847

No clerk in the Foreign Office is obliged to make an exchange with a diplomatic secretary - - - - - 26,195

The superintendent of the treaty department was taken from the diplomatic establishment - - - - - 26,206

And the assistant from the supplementary class - - - - - - 26,207

The Secretary of State can appoint anyone he pleases to staff offices - - - 26,209–16

There are in the Foreign Office 36 clerks on the diplomatic establishment, 16 supplementary, and 17 lower division - - 26,220

Clerks are assigned to the different departments by the Under Secretary - - 26,223–8

The commercial department has three diplomatic clerks, one supplementary, and two lower division - 26,229, 26,231, 26,921–5

Size of the French commercial department - 26,230

The commercial department at the Foreign Office is maintaining its importance - 26,233

Nature of the work of the commercial department - - - - 26,234–44, 26,247

One man has been told off specially to edit the commercial reports - - 26,245

Three departments at the Foreign Office are entirely confidential, two partially so - 26,251–8

Clerks are moved about from one department to another - - 26,253–7, 26,347–8, 26,925

Therefore, even in the non-confidential departments, it is desirable that appointments should be made after nomination, and not by open competition - - - - 25,253–7

Anything of a confidential nature is kept from the lower division clerks - 26,259, 26,271–2, 26,282–3, 26,345–6

But not from the supplementary clerks - 26,260, 26,288–9

Though the practice is to employ only the diplomatic clerks on the confidential political work - - - - - 26,289

After four or five years lower division clerks may see confidential papers in the librarian's department - - - - - 26,273–5

A junior clerk on the diplomatic establishment does confidential work immediately after he is appointed - - - - 26,263–5

Of course a good deal of the work is not confidential - - - - 26,285

But it is necessary to maintain a sufficient staff of confidential clerks to meet a sudden press of work - - - - - 26,286–7

Work of the chief clerk's department - 26,276–80

Queen's messengers are appointed by the Secretary of State after a pass examination - - - - 26,297–9, 26,301–2

Their duties - - - - - 26,300, 26,310

They have fixed journeys to some of the more important courts - - - - 26,304

A minister abroad cannot send a special messenger home for a trifling purpose - 26,305–6

They are not allowed to take parcels for private persons, and their bags are made up in the Foreign Office - - - 26,307–9

Their number has been reduced of late years 26,310

Confidential telegrams are sent in cipher - 26,311–2

Despatches are sent in cipher by post frequently - - - - - - 26,313–4

But it would not be possible to send all confidential despatches in cipher, and so do away with these messengers - - - 26,315–7

These messengers might in future be replaced by retired non-commissioned officers 29,013

Duties of home service messengers - 26,318

The appointment of a legal assistant has worked well - - - - - 26,319–21

System of admission to Foreign Offices abroad 26,840

Salaries in French and German foreign offices - - - - 26,840–2, 26,845, 26,953

The Foreign Office and diplomatic service in foreign countries is one service - 26,843–5, 26,884–5

There have been some changes in the diplomatic service since the report of the committee in 1871 - - - - - 26,863–5

Attachés do not receive any salary for the first two years - - - - 26,867

Upon a vacancy occurring, the Secretary of State selects those on his list who appear most suitable to compete - - - - 26,873–7

Usually from four to six are nominated - 26,878–80

Up to a few years ago only one man was nominated - - - - - 26,881

There is a fairly large list of candidates - 26,882

Since 1871 there has been a more regular system of promotion - - - - 26,883

Newly appointed attachés serve, as a rule, for six months in Foreign Office - 26,085, 26,088–100 26,868–70

And consuls in the same way in the consular department - - - - - - 26,086–7

The diplomatic and Foreign Office services might be fused with certain restrictions - 28,715–9, 28,851

There might be an understanding that some men would be told off for foreign service and some for home service - 28,716, 28,720, 28,851

There would be to some extent an advantage in this - - - - - - 28,717

Does not think that a complete fusion would answer - - - - - - 28,719

As this might debar men being appointed without private means - - - - 28,719

With an amalgamated service the Foreign Office would probably be more largely manned than it is now, because of the constant pressure of work there - 28,842–4, 28,846

If the services were amalgamated the facility for transfers would of course be greater than at present - - - - 28,846, 28,852

Secretaries in the diplomatic service sometimes exchange, for a time, with clerks in the Foreign Office - - 26,101–7, 28,717, 28,845–6, 28,853

Each keeping their own salaries - 26,105, 28,854–5

It is desirable that these exchanges should take place to a reasonable extent - 26,107, 26,886, 26,888, 27,115, 28,717

Some Foreign Office clerks cannot afford to go abroad - - - 26,887, 28,848–50

Honorary attachés receive no pay or allowances, and are not qualified for promotion or pension - - - - - 26,889–95

Does not think that lower division clerks could be employed in the chanceries abroad - - - - 28,724, 28,837–8

It is desirable that the work of the embassies, &c. should be done by the regular staff - 28,724–7, 28,839

Lord Granville was opposed to the suggested appointment of a permanent translator and keeper of records being attached to embassies - - - - - 28,839

SIR PHILIP CURRIE—*cont.*

There have been several changes in salaries of the diplomatic services of late years - 26,896, 26,899

There has been an increase at Berlin, and a decrease at Paris - - - 26,896–8

It is thought desirable to have permanent houses for our representatives abroad - 26,900–3

There has been a diminution in the number of the smaller German missions, &c. - 26,904, 27,069–70, 27,140–2

And it is proposed to amalgamate them still more - - - 26,906–8, 27,077–8, 28,877–98

Believes that other nations keep as many or more ministers at these missions as we do - - - - 26,909–10, 28,891–4

System of promotion in the diplomatic service - - - - - 26,911–2

The examination for attachés is not quite the same as for Foreign Office clerkships - 26,913–6

The limits of age for entrance to the diplomatic service is 20 to 26 - - - 26,917–8

Much the same class of candidates enter both branches of the Service - - 26,919, 27,138–9

Changes have recently been suggested in the examination for the Foreign Office with the view to raising the marks given for foreign languages, &c. - - - 28,728–31

Does not think the legations in South America could be reduced - - - 26,953–60

The diplomatic service is not much sought after, owing to the expense of living abroad 26,961–2

Formal reports on the merits, &c. of men in the diplomatic service are not sent home, though they are provided for in the regulations - - 26,963*a*–75, 28,945–53, 29,009–12

Thinks that this rule may be left in abeyance, but sees no reason to strike it out - 28,957–8, 29,006

Thinks that such reports are not of much value - - - 26,975, 27,120–2, 28,952–3, 28,961–6, 29,011

And that ample means exist for forming an opinion on men in the service - 28,952–6, 28,960

Difference of status between an ambassador and a minister - - - - - 26,976–7

Their duties are practically the same - 26,978

Duties of secretaries of embassies and legations - - - - - - 26,979–80

One of the most important duties of a minister abroad is to further the commercial interests of England - 26,981–2, 26,990–27,002

Duty of protecting British subjects in their commercial interests falls upon the embassies and not on the consulates - 26,994, 27,006–7

Any British subject has the right to ask for the assistance of the English minister in the country where he lives - - - 26,983–6

In China and Japan the minister is also the superintendent of trade - - - 26,987–8

There are two commercial attachés specially to attend to commercial affairs in Europe, Persia, and Asiatic states of Persia - - 26,989, 27,011–5, 28,985–7

They are decidedly useful, and have made valuable reports - - - - - 28,988–92

The Consul-General and Vice-Consul at Berlin are both Germans - - - 27,003–5

The consuls take their instructions from the ambassadors - - - - 27,010

There is one naval attaché who is accredited to all the maritime courts - - 27,016–7, 28,969

He is appointed by the Admiralty, who have never asked for more - - 27,018–22, 28,968–71

His reports are sent to the Admiralty through the Foreign Office - - - 27,019, 27,023–4

Amount of outfit allowance to ambassadors, &c., and purposes for which it is given - 27,025–30, 27,041–5

An ambassador gets no other allowance except a small sum for necessary repairs to his house - - - 27,031–40, 27,046–50

Rules as to travelling expenses - - 27,051–3

There is no instance of an ambassador receiving an honorarium for special work - 27,054

The increased salaries in the diplomatic service since 1850 are due to the increased expenses of living - - - - - 27,055–60

The pensions are about 15 per cent. of the salaries of the active list - - - 27,061

Scale of pensions for the diplomatic service 27,063–5

Increase in salaries, &c. since 1871 - - 27,066–8

Embassies and legations at which there are chaplains - - 27,079–80, 27,087–90

There is no proposal to reduce them - 27,081

They have pension rights - - 27,082

And are part of the diplomatic establishment of the country - - - - - 27,083

They are appointed by the Secretary of State - - - - - - 27,085–6

It is not proposed to increase their numbers 27,087

The physician at Constantinople is wanted for quarantine purposes - - 27,091, 27,113–4

The dragomans at Constantinople do the interpreting and translating - - 27,092

A special allowance is given to junior members of the diplomatic service for qualifying in certain languages - 27,093–4, 27,100–6, 28,840

There is a translator in Spain - - 27,095–6

Interpretorial staff in Persia - - - 27,097–8

The staff at the different embassies can only be increased with the consent of the Treasury - - - - - 27,099

Staff at Cairo - - - - - - 27,107–10

The archivist at Constantinople has been abolished and one of the secretaries has charge of the archives - - - 27,111–2

Attachés and secretaries prepare reports - 27,116–9

There are other ways in which the Foreign Office is able to judge of their capabilities 27,118, 27,120

Thinks that the work of the embassies has increased of late years - - - 27,124–5

And that the time of the different members is fairly occupied - - - 27,126–31

There was for some years a block in promotion - - - - - 27,132–6

Although Berlin is the only place in Germany where negotiations would be carried on, there are other centres of political interest and commercial importance where it is desirable to have representatives - 27,143–62

Would regret to see these posts abolished - 27,163–5

Though some amalgamation might take place - - - - - - 27,166

Thinks that where there is a court there should be a diplomatic representative - 27,159–60, 27,167–70, 27,177

There is only one diplomatic representative for the whole of the United States - 27,173

Each state and large town being represented by consular officers - - - - 27,174–5

But there is only one Government to deal with in the United States, whereas in Germany there are many - - - 27,175

In Italy again there are no independent sovereigns - - - - 27,176

Does not think that the diplomatic establishment as a whole is extravagant - - 27,178

The Paris ambassador is paid higher than the one at Berlin, because it is more expensive to keep a great house up there - 27,179–80

Thinks the scale of living in Washington is less expensive - - - - 27,181–2

The discrepancy in salaries has nothing to do with individual rank, but has reference to the cost of living - - - 27,184

The same applies to ministers - - 27,185–91

Does not think that there is an undue divergence of salary in these cases - - 27,192–3

Explanation as to the cost of the British Embassy in Paris - - - 28,765–809

There is a large staff there, and an expensive house to keep up, and the cost of living is very high 28,765, 28,768–70, 28,776–83, 28,804–8

The Ambassador's salary has been recently reduced from 10,000*l.* to 9,000*l.* 28,766–7, 28,771, 28,785–7, 28,800–4, 28,809–10

And the salary of the Ambassador at Berlin has been raised to 7,500*l.* - - 28,772–3, 28,811

Berlin is not such an expensive place as Paris - - - - - 28,774

The Ambassador at Madrid only receives 5,500*l.* - - - - - 28,775

Believes that the expense of living at St. Petersburg is not so great as at Paris - 28,777–81

And that 9,000*l.* a year in Paris does not go further than 7,500*l.* a year in Berlin - 28,789

Summary of Evidence.

Sir PHILIP CURRIE—*cont.*

Expense of the English Embassy at Paris as compared with other embassies there 28,782, 28,788-96, 28,806

England pays, as a rule, higher salaries than other nations - - 28,788, 28,805, 28,917

And our representatives abroad are expected to entertain more than foreign embassies do - - - - - 28,806, 28,918-28

Reasons why our diplomatic establishments in some cases exceed those of other nations 28,902-28

Part of the cost of the Persian and China Missions is paid by India - - 28,929-30

From time to time salaries at embassies, &c. are changed, but there is no periodical revision of them - - - - 28,972-8, 28,980

When it is necessary to increase the pay of one post an endeavour is made to make a reduction in some others - - - - 28,978-82

Does not think that a periodical revision would be desirable - - - - - 28,983-4

Consuls are shifted about from place to place, partly with a view to promotion - - 28,732

There is no rule that a consul should serve at the same place for only a limited time - 28,733

The system of grouping consulates of a similar character, or speaking a similar language, might be tried - - - - 28,734-8

If the China and Levant system of appointing young men after open competition were adopted in other places, the expense would cause a difficulty - - - - 28,739

But witness is personally rather in favour of it - - - - - - - 28,739-40

Thinks that a system of granting personal allowances for the purpose of rewarding meritorious service amongst consuls would be very desirable - - - - - 28,741

If this were done, it should be left to the discretion of the Secretary of State to allot them as he pleased - - - - - 28,741

Does not think that it would be desirable to reduce the existing limit of age for the appointment of consuls - - - - 28,742

Owing to the necessity of occasionally appointing men with special qualifications - 28,742

Would be in favour of the appointment of more consuls-general or commercial attachés if the Treasury would sanction the expense - - - - - - 28,744

And thinks that it would be desirable to give allowances to secretaries of embassies, &c. for acquiring commercial knowledge - 28,744-5, 28,990-1

Witness prepared a scheme for open competition for consular and interpretorial work in the Levant, &c. - - - 28,812

It has been 10 years in operation - - 28,813

And works very satisfactorily - - 28,814

Manner in which promotion is provided for - 28,815-8

A perfect knowledge of the language is ensured - - - - - - 28,819-20

The difficulty of introducing this system elsewhere is the expense - - - 28,821-3

The examination for ordinary consulships is a simple test one, and is compulsory except in special cases - - - - - 28,824-7

The men appointed under this examination are competent to perform their duties - 28,828

No formal reports are made upon them, but they can be judged from the reports they write, &c. - - - - - 28,829-31

To a limited extent open competition might be applied to the consular service - - 28,832

The Secretary of State being at liberty in exceptional cases to appoint exceptional men - - - - - - - 28,833-4

Does not think that the consular service could be divided into groups, within which promotion should be made - - - 28,835

Does not believe that foreign consuls assist the trade of their countries more than English consuls do - - - - 28,993-6

Would appoint an Englishman, if available, as consul in preference to a foreigner 28,997, 29,001-3

The paid consuls are invariably Englishmen 29,004-5

Pensions under the Diplomatic Service Pensions Act are granted after 15 years' service from date of commission, and after 10 years' actual service abroad - - 28,746

The present scale of pensions was recommended by a committee that sat in 1827 - 28,747, 28,941-3

The total of the diplomatic pensions is now 25,950*l.*, and the salary list amounts to 180,000*l.* - - - - - - 28,747-8

The scale of pensions is more liberal than prevails in the Civil Service - - 28,749

The Queen's representatives abroad occupy a high position and are unable to save money from their salaries - - 28,750-1

Invalided secretaries when pensioned receive pensions calculated by one-thirtieth of their salary for each year's service instead of one-sixtieth as in the Civil Service - - 28,754, 28,757-8, 28,933-5

The reason for this is that they commence their service at a later age and do not begin to qualify for pension until they receive their commission 28,754-6, 28,936-9

These pensions are only given upon medical certificate - - - - - - 28,759-62

This certificate is not used to get rid of men on other grounds than ill-health - - 28,869

As a rule a certificate from any leading medical man would be accepted 28,760-1, 28,860-7

But in case of doubt a man would be ordered before a medical board - - 28,762-3, 28,871

If a man retires for ill-health and recovers he may be offered employment again 28,857-9, 28,864-5

The medical certificates should be genuine - 28,870

The third class pensions are given to envoys and ministers of the second class - - 28,872

Conditions on which the various pensions are given - - - - - 28,873-5

Does not think that diplomatic pensions should be put on the same footing as Civil Service pensions - - - - 28,876

Some objections have been made to the fourth class pension of 700*l.* a year, but no decision on the subject has been come to 28,756

The consular pensions are the same as the Civil Service pensions - - - 28,764

Does not think that any large reduction in the cost of the diplomatic service could be made without impairing the efficiency of the service - - - - 29,014-6

Sir FRANCIS ALSTON.

Chief Clerk of the Foreign Office - - 26,349

Has charge of the financial business of the office - - - - - 26,350-2

Assists the Under Secretary in the administration of the different departments - 26,353-5, 26,474-5

There are 36 clerks on the diplomatic establishment of the office - 26,356, 26,359, 26,608

Who are appointed by limited competition after nomination - - - - 26,357-8

There is also a class of supplementary clerks 26,360, 26,608

Who are appointed in the same way - 26,361

There are also some lower division clerks - 26,362-3, 26,608

Thinks that some of the lower division clerks might be selected to replace some of the supplementary clerks - 26,364-71, 26,374-5, 26,527, 26,609-13, 26,616-20.

The supplementary clerks come from a rather higher stratum of society - 26,372-3, 26,617

If the supplementary clerks were done away with, the number of diplomatic clerks would have to be increased - - 26,628

Does not think that the staff at the Foreign Office could be reduced - - - - 26,376-80

The work done in the political departments is all held to be confidential - 26,381, 26,387

The official letters are opened either by the resident clerks or the private secretaries - 26,382-4

SIR FRANCIS ALSTON—*cont.*

They are entered in the daily diaries of the departments - - - - 26,385
Owing to the confidential character of the work it is desirable to maintain the system of nomination 26,386–7, 26,497–8, 26,523–6, 26,534–5
Originally three candidates were sent up for examination, then six or seven, and now sometimes 10 or 12 - - 26,490–3, 26,554–65
No despatches are prepared in the Librarian's Department - - - - 26,388–90
The chief clerk deals with accounts and not with diplomatic correspondence - - 26,391
Manner in which he carries on correspondence with all the sub-accountants abroad 26,392–7
Any question which exceeded his powers he would hand over to the political division - - - - 26,398–400
The Commercial Department is partially manned by clerks belonging to the political departments - - - 26,401–3
Part of the work of the Commercial Department is confidential - - - 26.629–30
The Commercial and Consular Departments are manned for the most part by clerks of the political division; the chief clerk's department is not - - - 26,477–8
The clerks in the chief clerks department are supplementary clerks - - 26,404–5
Some of these might be replaced by lower division clerks - - - 26,406–15
But it would always be necessary to have at least one in a superior position to act as deputy - - - - - 26,407–9
Does not think that it would answer to pass one of the political clerks through the department to act as deputy for a couple of years or so - - - - - 26,410–14
Salary and work of the first class clerk in his department - - - - - 26,416–19
The chief clerk's correspondence is not confidential, and is sent sometimes by post, sometimes by messenger - - - 26,623–7
Staff and work of the Librarian's Department - - - - 26,420–30, 26,435–6
Extra clerks were appointed some time ago to work up the arrears - - - 26,431–2
Average number of documents received at Foreign Office - - - 26,433–4, 26,441–3
Papers are sent to the library after two years 26,437
They are then fully registered and indexed - 26,438–43
Lower division clerks in library might see secret papers seven or eight years old - 26,621–2
Nature of the arrangements made between Sir E. Hertslet and the Foreign Office with reference to the publication of treaties and other works - - - 26,444–5, 26,603–7
There is a printing establishment in the Foreign Office - - - 26,446–8, 26,533
The type writer does her work well - - 26,449–51
There is no shorthand writer in the Foreign Office - - - - - - 26,452–3
Allowances are given to three junior clerks acting as translators - 26,454–6, 26,464, 26,581–4
All clerks entering the Foreign Office must be linguists, but in time they may lose some of their knowledge - 26,457–64, 26,536–9, 26,587–8
Thinks that greater prominence should be given in the examinations to modern languages and less to classics - 26,465–7, 26,589
A knowledge of French is absolutely essential - - - - - - - 26,566–7
A good many despatches come in in German 26,568–70
And some in Spanish and Italian - - 26,571
The Russians correspond in French - - 26,577
French is less used by foreign nations than it was - - - - - 26,572–3, 26,580
Lord Salisbury has urged on the Civil Service Commissioners the desirability of candidates having thorough colloquial knowledge - - - - - 26,575–6
The Prime Minister's private secretaries' salaries are charged to the Foreign Office vote by direction of the Treasury - - 26,468–72
The number of political clerks was reduced at the re-organization - - - 26,481–3
During the first years of service the clerks are fully employed - - - 26,485–7
Thinks that by limited competition quite as good a set of clerks are obtained as by open - - - - - - 26,488–9
Sometimes nominations are given to the sons of old Foreign Office officials - - 26,493–6
When Foreign Office clerks are employed abroad their work is done by the other clerks, or by an attaché or secretary from abroad - - - - - 26,499–505
A Foreign Office clerk sent abroad has an outfit allowance - - - 26,506–15, 26,592–5
An attaché receives no outfit allowance - 20,595–6
As a rule only clerks on the political establishment are sent abroad, but on one occasion a supplementary clerk in the Chief Clerk's Department was sent - - 26,516–22
A clerk would not be obliged to go abroad against his will - - - - - 26,598–9
The work of the Foreign Office is not such as can be well measured by six or seven hours' attendance - - - - - 26,528–32
The commercial and passport departments open at 11 o'clock - - - - 26,529–30
Explanation of increase in cost of Foreign Office since 1869–70 - - - - 26,540–6
Reasons for the abolition of Foreign Office agencies and the compensations granted in consequence - - - - - 26,547–53
Clerks are transferred from department to department at the Foreign Office - 26,585–6, 26,590
But the heads of departments are rarely changed - - - - - - 26,591
The building, repairs, &c. of embassies is accounted for by the Office of Works - 26,631–43
Queen's messengers will be further reduced by one man - - 26,645, 26,651, 26,657–8
They carry despatches, &c. to embassies abroad - - - - - - 26,646–7
The regulations as to what they may take are very stringent - - - - 26,648–50
They are an expensive establishment - 26,651
But necessary for taking confidential despatches - - - - - - 26,652
It would not be possible to put all despatches and letters into cipher - - - 26,654
Occasionally extra men have to be engaged - 26,659, 26,662–4
Queen's messengers are gentlemen - - 26,660–1
The real economy would be to employ a different class of men - 26,651, 26,659, 26,679, 26,682
When they retire they receive pensions - 26,665, 26,669
They have five years added to their service in computing their pensions - - 26,667–71
Economies that have recently been effected in the messenger service - - 26,672–5, 26,680
There is now a confidential man, not a gentleman, employed between Calais and Paris 26,675, 26,678
This system might be adopted in other places - - - - - - 26,679–80
Queen's messengers have a salary of 400*l.* a year, and an allowance of 1*l.* for every night they are employed, and their actual travelling expenses - - - 26,681, 26,686–7
The last appointment was made in 1887 - 26,688

MR. KENNEDY.

Is senior clerk of the commercial department at the Foreign Office - - - - 26,689
The staff of the department consists of four clerks on the establishment, one clerk attached, two lower division clerks, and a typewriter - - - - - 26,690, 26,693–6
The staff is interchangeable with that of other departments - - - - - 26,697–8
The clerk attached has recently brought out an index to the commercial reports - 26,699
It was necessary owing to arrears to prepare this out of office hours - - - 26,700–2
Hopes that in future this work will be done as part of the regular office work - - 26,703–8
The business of the department is to correspond on all commercial and sanitary questions - - - - 26,690–2, 26,709–10

Summary of Evidence.

MR. KENNEDY—*cont.*

The department has communications direct with merchants and trading associations - 26,711–3
When the department was reorganised in 1872 the total correspondence was 4,900, and in 1888 it was about 17,000 - - 26,714–6
All consular reports upon trade go to the commercial department - - - 26,717–21
The lower division clerks are employed on anything which does not require initiative 26,722–3
Does not think that they would be able to take the direction of the department - 26,724
They do their work admirably - - 26,746
Witness entered the office as an established clerk - - - - - 26,725–8
Has nothing to do with the political side of the office - - - - - 26,729–30
The general consular instructions are revised from time to time - - 26,732–7, 26,796–7
The department is in constant communication with the Chambers of Commerce, &c. 26,738–9, 27,662
Some of the clerks in the commercial department have served in the political departments - - - - - 26,740–5
Thinks that the minimum establishment staff for the commercial department should be three - - - - - 26,747–8
Would deprecate the staff being reduced below four in all - - - - 26,774
Would like to have an additional lower division clerk in his department - 26,798–800
A supplementary clerk might be transferred to a political clerkship - - - 26,749
But does not think such a case has occurred 26,750–2
The supplementary clerks in some of the departments see confidential papers 26,754–5, 26,758–9
Does not think that the barrier between the supplementary and established clerks is necessary - - - - - 26,756–7
In negotiating a commercial treaty the first steps are taken in the commercial department, the final ones in the treaty department - - - - 26,761–8
This is confidential work, and might be seen by the supplementary, but not by the lower division clerks - - - 26,766–73
Sees no advantage in having three classes of clerks in the commercial department - 26,775–6
Thinks there should be two only: clerks on the diplomatic establishment and lower division clerks - - - - 26,777
Would like the lower division to have the opportunity of promotion in special cases - 26,778–9
But does not think they could be promoted to clerkships in the political establishment - - - - - 26,836–9
The Foreign Office was reorganised in 1881 and 1882 - - - - - 26,780–3
If a political clerk is transferred to the commercial department, he is not employed particularly on work connected with his late department - - 26,784–6
There are two sets of reports received annually from consuls and from embassies, &c., and in addition occasional reports on anything likely to be of interest to British trade - - - - - 26,787–95
Thinks that the commercial department might take a great part of the commercial work in regard to Eastern Asia - 26,801–9, 26,832–5, 27,762–6
This work is now done in the China department, which, in case of difficulty, would consult the commercial department - 26,801–4, 26,820–2
The consuls on the India Office establishment along the Persian Gulf, &c., correspond with the Foreign Office, and send reports to the commercial department - 26,810–19
All consuls, without exception, send in reports - - - - - 26,823–5
All these reports are published - 27,777–80, 27,783
Has very rarely had occasion to decline to print reports in consequence of their not being up to the necessary level - - 27,781–2
The Foreign Office supply the Board of Trade with information on trade questions 26,826–31
Previously to 1872, the Board of Trade advised the Foreign Office on commercial matters - - - - - - 27,686
Now the Foreign Office collects information for itself, and instructs the representatives abroad without previous consultation with the Board of Trade - - - - 27,686
Upon any question on which the Board of Trade require information, they would apply to the Foreign Office - - 27,687
There are daily communications between the Foreign Office and Board of Trade on shipping and commercial questions - 27,688
Consuls report direct to the Board of Trade on all subjects coming within the scope of the Board of Trade instructions - - 27,689
The present arrangements work perfectly satisfactorily - - - - - 27,690–1
Is not aware of any complaint that either the diplomatic or consular service has shown remissness in regard to commercial interests - - - - - 27,663, 27,803
The appointment of consuls is entirely a matter for the discretion of the Secretary of State - - - - - 27,665
The limits of age are from 25 to 50 - 27,665
The appointments seem to be quite satisfactory - - - 27,666, 27,775, 27,855
Believes that English consuls assist British trade quite as much as foreign consuls assist the trade of their countries - - 27,667
Has never heard anything to the contrary from Chambers of Commerce - 27,668, 27,672
The relations of the Foreign Office with Chambers of Commerce are such that complaints would have reached witness, if any were made - - - - 27,669–71
Believes that in the case of Belgian and French consuls a greater latitude is allowed them to act as agents for particular firms - - 27,673, 27,677, 27,767–9
If a British consul found that his instructions did not allow him to take any particular action required of him, he would refer the matter home for orders - - - 27,674–7
British agents abroad are instructed to promote British trade generally - - 27,677
The appointments to the consular service in China, Japan, &c. are much upon the same principles as those for the Levant - 27,679
They are under the American and Asiatic Department, not the Commercial Department - - - - - - 27,680–1
Does not think that a large paid consular service would be worth the expense - 27,682–3
Does not think that it would be practicable to further consolidate the functions of diplomatic and consular officers - - 27,684
Their duties are, in fact, distinct - - 27,684–5
German consuls send home particulars of patterns of various manufactures supplied by the United States and England - 27,692–3
Our consuls do not do this - - - 27,694
They send home patterns of native manufactures - - - - - - 27,695
They supply information as to articles our competitors are supplying in foreign markets, but not patterns - - 27,696
Does not recollect attention having been called by any chamber of commerce to the mode in which the consular work of Germany is done - - - 27,697
But remarks have been made, chiefly in reference to Eastern Asia, as to the want of information our manufacturers have, compared with that which Germans have 27,698–701
A wish has been expressed that there should be some museum for samples of goods, as the Belgians have in Brussels - - 27,701–4
The Belgian consuls send home samples; the English do not because of the expense 27,705–11, 27,732–4
First, there would be the initial expense of the museum, say. 20,000*l.*: then an annual outlay of some 500*l.* would be required - 27,712–5
Thinks that the difficulty is the expense and not the different class of the consuls in Germany, Belgium, &c., as compared with the English - - - - - 27,716–20
No definite proposal has been made for the establishment of a commercial museum - 27,735–8

MR. KENNEDY—*cont.*

Thinks that an English consul of the non-commercial class is quite as good as a German - - - - - - 27,721–2
Previous commercial training would be of advantage to consuls - - - - 27,723–5
There are many posts in which special qualifications must be considered on appointing a consul - - - - - 27,726
In France political considerations preponderate, but not in Germany - - 27,727–9
A German regular consul is more likely to have a commercial training than an English one - - - - - - 27,730–1
The Commercial Department at the Foreign Office is the commercial intelligence department of the country - - - 27,739–40
The Foreign Office is quite ready to obtain information for the Colonial or India Offices on trade questions - - 27,741–50
No complaint has reached the Foreign Office as regards the increase to fees - - 27,751–4
Shipping fees are received at the Foreign Office, and transmitted to the Board of Trade - - - - - - - 27,755
The consuls are only under the direction of witness as regards forwarding reports upon trade - - - - - - 27,756–61
Thinks that the reports received from consuls appointed by open competition are on very much the same level as those of men appointed after nomination - 27,770–5, 27,819–21
The Secretary of State has an opportunity of considering any recommendations made in the reports of consuls - - - 27,784–99
Does not often have suggestions from the Board of Trade on commercial matters - 27,800
It is the business of the Foreign Office to act for itself on such matters - - 27,802
All reports are sent to the Board of Trade - 27,801
Receives valuable reports from the commercial attachés - - - - - 27,805–8
There are two commercial attachés - - 27,809–10
One at Paris and one at St. Petersburgh - 27,811
Doubts whether an increase in their number, or the appointment of more consuls-general, would be worth the expense - - 27,812–3
But in the case of some countries it might be beneficial to appoint more consuls-general as a tentative measure - - 27,834–41
Consuls-general would be better than commercial attachés - - - - 27,839
Commercial men prefer the publication of commercial reports in the Foreign Office series, rather than in the Board of Trade journal - - - - - - 27,814
Is not, as a rule, consulted when consular appointments are made - - 27,815–6, 27,850
But calls attention to any meritorious officer with a view to his promotion - - 27,831–3
The list of candidates is kept by the Secretary of State - - - - - - 27,817
Thinks the bulk of men appointed have not had previous commercial experience - 27,818
Thinks that commercial knowledge and geography might be added to the subjects of examination - - - - - 27,822–3
And that every consul should, on appointment, serve a month or two in the Commercial Department - - - - 27,824–6, 27,829
Thinks that the men now appointed are fully aware of the commercial interests of the country, and act accordingly - 27,827–8
Has been on two tours of inspection abroad, and has also been delegate on commercial negotiations - - - - 27,844–6
There are certain posts where it is desirable to have salaried consuls - - 27,848–50
Some places might be paid less than others so as to provide for promotion - 27,851, 27,857, 27,861–3
Would not throw these posts open to open competition - - - - 27,852–4
But would not object to limited competition - - - - - - 27,854
Has no fear of the danger of absolute patronage - - - - - 27,856
Redundant posts have been reduced of late years - - - - - - 27,858
It has been held that it is an advantage that consuls should not be shifted from place to place - - - - - - 27,864–6
But, on the other hand, constant service in the same place without opportunity of promotion exercises a depressing influence on a consul's work - - - - - 27,867–70
A prospect of promotion would be an inducement to a man to strive to the utmost 27,869
An increment of salary or a personal allowance might meet the case - - 27,871
The French is a much more graded service than the English - - - - - 27,872–3
And witness favours some modification of the present system in this direction - 27,874
The posts might be classified and grouped in certain divisions - - - 27,875, 27,878–83
And there might be promotion from one to the other, or a personal allowance - - 27,876
In this way the value gained by local experience might be preserved - - 27,877

SIR PERCY ANDERSON.

Senior Clerk of the African and Consular Department at the Foreign Office - - 27,194
Has occasionally been employed abroad - 27,195–6
Consuls are nominated by the Secretary of State, and then, as a rule, pass an examination - - 27,199–202, 27,227–8, 27,238, 27,275–6, 27,453
Consuls-General and consuls so appointed form the regular consular service - 27,203
In addition to these, there are some who are engaged in trade - - - - 27,204
These are also appointed by the Secretary of State - - - - - - 27,281
They are not necessarily foreigners, but are always residents at the place where they act - - - - - 27,205–8, 27,282–3
These trading consular officers have no salary, but they receive allowances to cover their outgoings - - - 27,209–10
There are about 500 trading vice-consuls - 27,211, 27,215
The above classification works well - 27,214
An enormous expenditure would be entailed by making the whole consular service a paid service - - - - - - 27,215
A sufficient number can be found willing to discharge the duties without pay - - 27,216
The unpaid men are much wanted at ports to look after the shipping interests - 27,215
In addition to these two classes of consuls, there is the service in the Levant, Persia, Greece, and Morocco . - - - 27,218–20
To begin with, this is also an interpretorial service - - - - - - 27,221
Introduction into this service is now stopped, as there is not a sufficient flow of promotion - - - - - - - 27,222
There is an examination for this service - 27,223–6
Consuls of the regular service pass three months in the Foreign Office after appointment, and then go to their posts - 27,229–30, 27,235–6
In the consular service there is no "ladder"; the whole service is, more or less, on a level - - - 27,231–2, 27,278, 27,379
There are no prizes in the service, except a consul-generalship - - 27,231, 27,379
The salaries are adapted to the requirements of the various posts - - 27,231, 27,255
The highly paid posts are not always the better posts - - - - 27,320, 29,255
A consul, on appointment, might be sent anywhere - - 27,232, 27,238, 27,278–80
The other day an Indian officer was appointed Consul-General at Zanzibar - - 27,233
He did not pass any examination: the Secretary of State has the power of dispensing with that - - 27,234, 27,269, 27,454
It is, however, very rarely dispensed with - 27,270–4
Knows no instance of a consul being appointed who had failed in the examination 27,479–83
The limits of age for consul are 25 to 50 - 27,237–8, 27,277, 27,457–8

Summary of Evidence.

SIR PERCY ANDERSON—*cont.*

A consul can be transferred to the diplomatic service; and several Ministers have risen from the consular service - 27,239–42, 27,459–60

A regular consul gives the whole of his time to his consular duties - - - 27,243

And is prohibited from trading - - 27,244

The Foreign Office would find out if this regulation was broken - - - 27,245–9

The salaries are fixed in communication with the Treasury - - - 27,250, 27,253

No augmentation can be made without the consent of the Treasury - - - 27,250

But the Foreign Office could appoint a vice-consul if he had no pay and no allowance - 27,251–2

A consul can lay nothing by out of his income - - - - - 27,255

There have been many instances of the reduction of salaries of consuls - - 27,256

The last general revision of salaries was when Mr. Childers was Chancellor of the Exchequer - - - 27,254, 27,257

During the last 10 years the net total of salaries and allowances has been reduced from 110,602*l.* to 96,760*l.* - - 27,257–64

There are no regular reports upon the conduct and discipline of consuls - - - 27,265

But the Foreign Office keeps a general supervision over them - - - 27,265–8

The Consuls-General at Berlin, Leipsic, and Vienna are in an exceptional position, and are foreign merchants of high standing - 27,284–7, 27,477–8

Thinks that it would be impossible to man the consular service by open competition - 27,292

In consequence of the separate qualifications required for separate posts - - 27,292

The result would be enormously increased expenditure, and a risk of diminished efficiency - - - - - 27,292

The Levant, &c. service which is manned by open competition, is exceptional, and the service is expensive - - 27,295, 27,307–8

Description of the Levant service, and way in which the various men are employed 27,296–304

It is possible to have a grip over this service, in which there is constant intercommunication - - - - - 27,305–6

Some of the appointments in it are not ordinary consular appointments - - 27,309–14

A consul after appointment has to learn all about shipping - - - - - 27,315–6

Would like all consuls at ports to be paid officers - - - - - 27,319

The most highly paid post is at New York - 27,321

The present Consul-General went there from San Francisco - - - 27,322–3, 27,325–6

He was sent there on account of merit - 27,324

It is difficult to compare our consular service with that of other countries - - 27,327

We discourage our consuls from meddling too much in politics - - 27,327–9, 27,396

It is difficult to ascertain precisely the salary and emoluments of foreign consuls - 27,330–4

Our expenditure is based upon our own requirements without reference to those of other countries - - - - 27,336–7

Economy is impressed upon the Foreign Office at every turn - - - 27,338

Does not think that Germany is spending more upon their consular service than England is - - - - - 27,339

Cost of the English consular service - - 27,340–4

All consuls make reports every year - 27,345–51

Salaries of French and German consuls - 27,352–4

Salaries of English consuls - - 27,355–8

It would be possible for a young man of 25 to be appointed at once to a salary of 1,000*l.* a year - - - 27,238, 27,359–63

It is not the rule to insist that every candidate after passing the examination should have some training as a vice-consul - 27,364–5

Nature of the examination for consulships - 27,366

The examiners are the Civil Service Commissioners - - - - - 27,367–9

Thinks the examination gives well-qualified men - - - - - 27,370

It is only a qualifying examination - 27,371–2, 27,453

It is not a difficult examination - - 27,455–6

There is a limited competition for the diplomatic service - - - - 27,373–4, 27,378

Thinks that the consular service is essentially one for selection - - 27,293–4, 27,375

Although this does not apply to all posts - 27,376–7

Would object to two or three consulates when vacant being put up to limited competition - - - - - 27,379

The qualifications of a man outside the consular service, selected for a particular post, are known to the Secretary of State - - - - - 27,380–1

Witness would not, as a rule, be consulted before a new man is introduced into the service - - - - - 27,382

Upon a vacancy in a lucrative consulate occurring, the Secretary of State, after consultation with witness and others, would select the best man he could find for it, if a man in the service were appointed - 27,383–8

But this course of procedure would not be adopted if an outsider were appointed - 27,389

It is an absolute, but not an arbitrary, act of patronage - - - - - 27,386

The transition from the consular to the diplomatic service is about as easy now as it was formerly - - - - - 27,390–1

It has not been found practicable to consolidate still further the functions of diplomatic and consular officers - - 27,392–3

A consular officer would not look forward to promotion to the diplomatic service as a right - - - - - - 27,394

Such promotions are the personal act of the Secretary of State - - - - 27,395

Does not believe that it is possible to make any sort of bridge between the two services - - - - - - 27,396

The recommendations of the Committee of 1872 have been carried out as fully as possible - - - - - - 27,398–400

Honorary rewards have been more freely distributed amongst consuls - - 27,399–400

All possible reductions of redundant posts have been carried out - - - 27,401–2

The movements of trade are constantly watched - - - - - 27,403–4

Salaries of consuls in Italy, and amount of fees received by them - - 27,405–6

There is a danger that some commercial firms, instead of using their own agents, may trust to the information given by consuls - - - - - 27,410–11

Thinks that the English consuls supply vastly more information than the German consuls - - - - - - 27,412

But the Germans send commercial agents where the English send only circulars - 27,412–17

Thinks that English consuls are in thorough touch with English trade - - - 27,418

A great deal of the consul's time is taken up with answering traders' questions - 27,419–20

Consuls are not allowed to give official recommendation to particular firms by acting for them - - - - - - 27,421

Consular fees have enormously increased lately - - - - - 27,423–9

Does not think that any further circular visits to consulates from the Foreign Office are in contemplation - - - - 27,430–1

Sir C. Hill recently visited and reported on the consular establishments in the West Indies - - - - - - 27,432–3

Secretaries of legation occasionally go round and send in reports - - - 27,434

The scale of pensions for the consular service is the same as for the rest of the Civil Service - - - 27,435, 27,498–500

Does not know that the German consuls send home patterns of new manufactures, &c. that are introduced specially by England - 27,436–8

The English policy is to encourage commercial consuls, not political consuls - - 27,439

We require sound practical men of business with commercial qualifications - - 27,441–2

And believes that such men are obtained under the present system of appointment 27,443–7

SIR PERCY ANDERSON—*cont.*

So far as witness knows, Secretaries of State have not used the consular service for political appointments - - - 27,448
Though, of course, recommendations may be made by political friends - - 27,449–50
The Secretary of State can appoint whom he pleases - - - - - - 27,451
The consular service is subordinate to the diplomatic, though their work is distinct 27,461–2, 27,468, 27,471–3
Appointments to the consular service in China and Japan are much upon the same lines as in the Levant service - - 27,464–7
In communicating with a consul witness would do so direct, not through the legation - - - - - - 27,469–70
Reports are sent by the legations or by the consuls, according to what their nature may be - - - - - - 27,474–6
Believes that the relations between the diplomatic and consular services are extremely cordial - - - - - 27,484–5
The Foreign Office is in constant communication with the Board of Trade upon commercial and consular questions - - 27,486–90
Consuls receive orders direct from the Board of Trade on routine points connected with shipping - - - - - - 27,489–90
Has known cases of consuls being removed for inefficiency - - - - - 27,491–4
Before getting a pension a consul must produce a certificate from the Secretary of State that he has served with diligence and fidelity - - - - - 27,495–503
Consuls have the same "abolition" terms as the rest of the Civil Service - - 27,504
But a post would not be abolished in order to get rid of an incompetent consul - 27,505–8
Thinks that about 10,000*l.* a year might be advantageously spent in establishing special commercial posts - 27,418, 27,509–19, 27,525
They would be in addition to the two commercial attachès at Paris and St. Petersburgh - - - - - - 27,520–1

SIR E. HERTSLET.

Librarian of the Foreign Office - - - 27,526–8
Duties of the librarian - - - - 27,529–30
Has to prepare memoranda and to make précis - - - - - - 27,529
And has charge of the manuscript and printed library - - - - - - 27,530
A few years ago the Board of Trade library was removed to the Foreign Office - - 27,530
There are now 85,000 printed and 95,000 manuscript volumes in the library - 27,530, 27,601
About 200 volumes of historical, geographical, treaty, &c. works are added annually to the library - - - - - - 27,531
After two years all the papers are sent from the departments to be kept in the library 27,530, 27,534–5
They are then bound, re-registered, and carefully indexed - - - 27,531, 27,596–9
The registrar forms the index to the volumes 27,627
These papers form between 700 and 800 volumes a year - - - - - 27,531, 27,623–5
Any paper that comes into the Foreign Office is bound - - - - 27,532, 27,646–50
Thinks it would be undesirable to destroy any paper in the library - 27,532–3, 27,605, 27,626
If they are to be destroyed at all they should be destroyed in the departments before they are sent to the library - - 27,532–3, 27,600
Reasons for not destroying papers in the library - - - - - - 27,595–600
In consequence of want of staff the registering in the library fell greatly into arrears - - - - - - 27,536
Ten clerks have now been appointed to work up the arrears - - - - - - - 27,536
All the law officers' reports since 1861 have lately been bound and indexed - 27,536–7, 27,632–4
Has to refer very often to law officers' reports previous to 1861 - - - - - 27,635–42
Hopes that the arrears in the general register will be brought up in five years - - 27,538–9
Two years must always be in arrear, because it takes that time to bind the papers of one year - - - - - - 27,539
They are all bound at the Foreign Office - 27,609–16
Would be very glad if the registers and papers when sent to the library were accompanied by an index - - - 27,540–1
But does not see how this could be done with the existing staff - - - - 27,541
Does not think any difficulty has been found in getting at papers when wanted - 27,542, 27,547
This is owing to a system of keeping papers together in "cases" - - - - 27,542–3
Thinks that to have a general register for the Foreign Office, and each paper indexed daily, would bring about a complete revolution in the whole system and management of the Foreign Office - - - - - 27,544–6
If the staff of the librarian's department had been increased some years ago, the great arrears in the register would not have occurred - - - - - - 27,548–9
The librarian and his assistants have to prepare memoranda upon historical subjects - 27,550–1
Instances of the sort of memoranda alluded to - - - - 27,552–3, 27,558. 27,569
Between 1875 and 1889, 2,800 memoranda were prepared in the librarian's department - - - - - - 27,554
Of which 300 have been printed - - - 27,555
An important memorandum might take three or four weeks to prepare - - - 27,556–7
The number of important memoranda are increasing daily - - - 27,558
There are almost hourly references to the library on current work - - - 27,559
The departments draw up memoranda upon the papers in their custody - - - 27,560–2
In addition to the current papers the departments keep "cases" of subjects still unsettled - - - - - - 27,562–4
These "cases" are bound up separately and not in the general registers - - 27,565–8, 27,600
Some years ago found that the systems of the registries in other offices was very different to that in the Foreign Office, and thought that they could not be applied to the Foreign Office - - - - - 27,570
There is no general daily register of letters coming to the Foreign Office - - 27,571–2
If a matter of importance arises, the original documents are not sent to the departments, but the librarian prepares a précis 27,573–5
A reference would be made to the original papers - - - - - - 27,578–9
If the question was of a current nature, the department would prepare the memorandum - - - - - - 27,575–7
The clerks in the librarian's department have to look out the papers for the preparation of the précis, which is highly responsible work - - - - 27,580–1
The clerks in his department are on a different scale of promotion and prospects to those in the political department - 27,582
They have always felt that this is a grievance - - - - - - 27,583
Does not think that it would be a benefit to the service if the political clerks passed in their earlier years through his department - - - - - - 27,584–5
Thinks it is desirable that his department should be kept distinct - - - 27,586
Is anxious that the appellation "librarian's" department should be changed, as it does not describe the nature of the work - 27,586–7
Thinks that the duty of searching for information and furnishing it should fall upon the library - - - - - 27,588
This system has worked admirably hitherto - 27,588
Sometimes has to refer to papers 30 and 40 years old - - - - - - 27,589–90
Foreign Office papers earlier than 1847 are at the Public Record Office - 27,590–3, 27,630–1

Summary of Evidence.

SIR E. HERTSLET—*cont.*

And every three years about 3,000 volumes are sent there - - - 27,592, 27,628–9
Thinks it is dangerous to destroy papers even 30 years old - - - - 27,606–7
Though there must be many papers of no permanent value - - - 27,608
The departmental printing is all done at the Foreign Office - - - - 27,617–22
The librarian's department is credited with two clerks who do not belong to it 27,643–5, 27,657–8
Thinks that the work done in the librarian's department is quite as confidential as that done in the political departments - - 27,651
Thinks that an amalgamation with the diplomatic staff would be undesirable - - 27,652
And that the librarian's department should be left distinct - - - - - 27,652
But that the clerks in that department should be considered as holding as important a position as the diplomatic clerks 27,652
On two occasions clerks have been transferred from the librarian's to the treaty department - - - - - 27,653
But this is exceptional - - - 27,656
There is a good deal of similarity between these two departments - - - 27,654
The clerks in the diplomatic departments interchange - - - - - 27,655

MR. BRYCE.

Parliamentary Under Secretary at Foreign Office from February to July 1886 - 27,884–5
Thinks the distinction between supplementary and diplomatic clerks need not be maintained - - - 27,887–8, 27,890
The system of lower division clerks might be more extensively used - 27,889, 27,890, 27,940–4, 28,021, 28,031, 28,088–90
And the number of established clerks might be then reduced - - - 27,940–4, 28,031
Lower division clerks might be employed on routine work in the political departments - 28,089
Does not think that there would be any great gain in introducing open competition for the Foreign Office - - - 27,891
It is desirable to have an opportunity of ascertaining what a candidate's character and connexions are - - - 27,891
Thinks it would be an advantage if the diplomatic service was fused with the Foreign Office - 27,892, 27,895, 27,960, 28,031–8
Thinks that a better salary should be paid to young diplomatists at starting, and that the rule requiring them to have private means should be abolished - 27,893–4, 28,023–4
This might add to the cost of the diplomatic service, but there are branches in which retrenchments might be effected - 28,024, 28,128–30
Thinks there would be no difficulty on the score of expense in getting the clerks to go to posts abroad - - - - 28,033–7
Thinks that any person occupying a recognised public position should be entitled to apply to the Secretary of State for a nomination to the Foreign Office - - 27,895–7
And that the Secretary of State should give every candidate on his list, of whose character and abilities he had sufficient evidence, an equal chance of competing - 27,898, 27,900–1
Does not think that the Secretary of State sees a man before he places his name on his list - - - - - - 27,899
The Secretary of State ought to act as a trustee in the matter, and not as a dispenser of patronage for personal or political considerations - - - 27,901
The supplementary clerks, as a rule, are not men of quite so much capacity as the clerks in the political departments - 27,902
The amount of really confidential work in the Foreign Office is by no means so large as is sometimes supposed - - 27,903
But it varies at different times - - 27,904–5
Doubts whether it would not be done by a much smaller number of clerks than are now employed in the political departments 27,905
Thinks that lower division clerks could be found who would inspire as much confidence in their honour and probity as the men in the political departments do - 27,906
Type writers and shorthand should be more employed - - - - - - 27,907–8
The upper division clerks are too much employed on mechanical and copying work - 27,909–10
The librarian's department renders very valuable service - - - 27,911
Thinks that it would be an advantage if the young political clerks passed through the librarian's department for a year or two - 27,912
The mechanical work of indexing, &c. should be done by lower division clerks - 27,912
The papers are kept for two years in the departments and are then handed over to the library - - - - - 27,913
It might be as well to have them registered and indexed on one general system as soon as they come in - - - - - 27,913
But never experienced any difficulty in getting a paper under the present system 27,914–5
Thinks that not quite enough attention is paid to the keeping up of knowledge of current European politics - 27,916–8, 29,921–6
And that it might be well to add an intelligence branch to the librarian's department - - - 27,919–20, 28,017–9
Perhaps too much detailed work comes before the Secretary of State and the Under Secretaries - - - 27,927–30
The Secretary of State is especially overloaded with work - - - - 27,930–1
Is not in favour of laying down a strict rule as to hours of attendance - - - 27,931*a*–2
Much of the work can be only done in the afternoon - - - - 27,932, 27,934–6
Does not think that seven hours attendance is two much - - - - - 27,933
All telegrams are opened early in the morning - - - - - - 27,937
There are resident clerks at the Foreign Office - - - - - - 27,938
The position of legal adviser might be improved - - - - - 27,945–7
This post was created in 1886 - - 27,946–7
Sir J. Pauncefote was appointed as legal Assistant Under Secretary - - 27,948
After he was made permanent Under Secretary he continued to do some of the legal work - - - - - 27,949–50
But he found this very laborious, so the legal adviser was appointed in 1886 - 27,950
The legal assistant does not act as an Under Secretary of State - - 27,952
Is of opinion that there should be a legal Assistant Under Secretary at the Foreign Office - - - - - - 27,955–8
Thinks that there might be some saving in the Foreign Office printing - - 27,959
The diplomatic service does not seem to be as strong intellectually as the Foreign Office is - - - - - - 27,961–3
The position in the Foreign Office is more attractive - - - - 28,022, 28,025–7
Thinks the conditions for a young diplomatist abroad are much more unfavourable than they are for a Foreign Office clerk - 27,964
A great portion of his work being very dull and mechanical - - - - - 27,964
Thinks that men of the calibre of lower division clerks might be attached to the chanceries abroad to do this sort of work 27,965–7
Believes that the training in Oriental languages would be better done in England than it is in Constantinople - - 27,968–71

MR. BRYCE—*cont.*

The age for the Constantinople service might be increased and the examination might include Oriental languages - - 27,972–5

Changes might be made in the present classification of embassies and legations 27,976

Some posts that are at present only legations might be made embassies, for instance, Washington - - - 27,976–82

It would be better if the consular service became a regular service - - - 27,985

The Secretary of State should not be entitled to appoint anybody he pleases to it 27,985–6, 28,016

There is only a low qualifying examination 27,987

Would not amalgamate the consular and diplomatic services - - - 27,988–9

Does not believe that there is any marked difference in point of ability between the men in the consular and diplomatic services - - - - - - 27,990

The consuls ought to be much more conversant with commercial matters - - 27,991

The limits of age for the consular service should be older than for the diplomatic, and the examination should be different - 27,992–3

The scale of salaries in the consular service should be revised and promotion should be provided for - - 27,994–8, 28,109–12

The service should be more one of merit and less a matter in which mere favour prevails - - - - 27,999, 28,109–12

The value of the consular reports has very much improved since 1886 - - 28,000

Believes that there are fewer complaints from chambers of commerce as to consuls not attending to trade interests than there was in 1886 - - - - - - 28,001

In that year a second commercial attaché was appointed whose head-quarters are in Russia - - - - - - 28,001

Probably there ought to be a third to travel about and report upon places where there are openings for trade, &c. - - 28,001–6

Thinks that it is desirable that there should be cordial relations between merchants, chambers of commerce, and the Foreign Office - - - - - - 28,007

Traders are encouraged to come with suggestions, &c. to the Foreign Office - 28,007

Thinks that the consuls do their duty very fairly - - - - - - 28,028

In some large ports the consuls might with advantage have assistance - - 28,008

Thinks that a British consul ought not to be anything like a mere trading agent - 28,009–10

Sees no objection to consuls sending home samples or specimens of new manufactures - - - - - 28,011

Saw a good many of the consular reports whilst at the Foreign Office - - 28,012–3

Did not form any opinion as to whether those submitted by men appointed after open competition were better or worse than those submitted by men who had been nominated - - - - 28,014

Thinks a little more might be spent on the consular service, but a great increase is not necessary - - - - - 28,015

There might be some advantage if the political clerks passed through the commercial as well as the librarian's department - - - - - 28,020

Ministers abroad send reports at their discretion - - - - - 28,039–41

Occasionally they send newspapers, but not to a large extent - - - 28,042–4

On first appointment attachés are unpaid for two years - - - - - 28,045–7

Salary of a young diplomatist on first appointment - - - - - 28,048–51

There is a pretty frequent change in consular stations - - - - - 28,052

Depending chiefly upon the commercial importance of the place - - 28,053–4

Any representation from chambers of commerce advocating the opening of a new consular station would be considered - 28,05–75

The question of amalgamating the diplomatic service with the Foreign Office service was mooted before the House of Commons Committee in 1871 - - 28,058

Foreign Office clerks are sometimes temporarily employed abroad - - - 28,059–60

Is inclined to think that this possibility of interchange is not sufficient - - 28,062

The necessity of having private means is one of the elements which causes the diplomatic service not to be so intellectually capable as the Foreign Office service - 28,063

But the work of the Foreign Office and living at home is preferred by many - - 28,064

Some of the ablest Foreign Office clerks have interchanged of late years - - 28,065–6

In some cases the secretaries of legations and embassies live at the embassy houses 28,067–8, 28,071

The cost of living is an argument used in enforcing the property qualification - 28,069–70

Thinks that just as good men are obtained for the Foreign Office by limited competition as would be obtained by open competition - - - - - 28,073

And there are reasons for maintaining the present system - - - 28,073

Thinks an examination of the same character should apply to both the diplomatic service and the Foreign Office - - - 28,074

Does not think the Foreign Office examination lends itself to cramming more than any other Civil Service examination - 28,075–6

Would like to see the nominations by the Secretary of State given rather more freely - - - - - 28,078

The advantage of nomination is that you leave the Secretary of State some discretion - - - - - - 28,078–9

Whilst at the Foreign Office did not see much of the work of those who had just joined - 28,080–3

Thinks the period during which attachés serve at the Foreign Office might be increased to a year - - - - 28,084–5

Never heard any complaints from traders as to the hours of attendance at the Foreign Office - - - - - 28,086

There may be reasons for keeping the chief clerk's department distinct from the political departments - - - 28,091–2

It would be better to have more interchange of clerks in the other departments - 28,092–3

There may be some advantage in the Chinese and Japan consular service being under the commercial department - 28,094–5

Thinks that reports from the diplomatic service on financial and commercial subjects should be insisted on rather than encouraged - - - - - 28,096–102

The India and Colonial offices would probably communicate reports on trade to the Board of Trade rather than to the Foreign Office - - - - - - 28,104–8*a*

There are cases in which consuls have received honorary rewards - - - 28,113–4, 28,116

There is more disposition now to recognise the work of consuls and treat them as equals - 28,115

Does not think it would be desirable to make frequent changes between the diplomatic and consular services - - - 28,117

On the whole it would be better to appoint consuls after examination and expect them to qualify themselves for their work - 28,119–20

A consul should help traders generally, not one particular firm - - - 28,122–4

It would be a good thing to establish museums for the display of samples - 28,125

But Parliament should not make a contribution towards them - - - 28,120

Does not see the necessity for the appointment of consuls general to overlook the general consular work - - - 28,127

Does not think that all the reports on financial and commercial matters are printed - 28,131–3

A question such as bi-metallism would be a secretarial, not a commercial, report - 28,134–5

Summary of Evidence.

Mr. GIFFEN

Assistant Secretary, Commercial Department, at Board of Trade - - - 28,137–8
Points where the Board of Trade and Foreign Office come into contact - 28,139–40, 28,145–6, 28,156–7
In 1872 an officer was appointed at the Foreign Office to take the initiative in commercial negotiations which had hitherto been taken at the Board of Trade - 28,139
At this time the statistical and commercial departments at the Board of Trade were amalgamated - - - - 28,139
Consuls transact a large business with the Board of Trade in connexion with shipping 28,139
On this subject the Board of Trade corresponds direct with consuls all over the world - - - 28,139, 28,182–4
Where questions of discipline and principle arise, a correspondence must necessarily go on with the Foreign Office - - 28,139
All this work goes on very satisfactorily indeed - - - - 28,139
Another point where the Board of Trade is in contact with the Foreign Office is the compilation and publication of foreign tariffs - - - - 28,140
This is done, as it always has been done, by the Board of Trade - - - 28,139–40
A great amount of information respecting foreign tariffs is published in the Board of Trade Journal - - - 28,140
The Foreign Office supplies a good deal of the material which the Board of Trade works up for publication - 28,140, 28,142–3, 28,188–94
But by no means the whole of such material 28,140
The Board of Trade would like to get more information from the Foreign Office than they do - 28,140–1, 28,145, 28,195–6, 28,204–8
Either through the consuls or the secretaries of legations - - - - 28,141
And to get it quicker - 28,141, 28,144–5, 28,195–6
The Board of Trade also comes into contact with the Foreign Office in the compilation and publication of foreign trade statistics - 28,145
The trade statistical information, necessary for this compilation comes very partially through the Foreign Office - - 28,145
Has no suggestion to make on this point, as the sources of information of the Board of Trade are, and must be, independent of the Foreign Office - - 28,145
The next matter in which the Board of Trade comes into contact with the Foreign Office is with reference to the Board of Trade Journal - - - - 28,145
But the Board of Trade is not exclusively dependent upon the Foreign Office for the information published therein - - 28,145
Would like to get more information from the Foreign Office - 28,146, 28,148–55, 28,204–8
In the present number only about five pages are derived from the Foreign Office - 28,145–55
Believes that there will be an improvement in this respect in future - - 28,156
The Board of Trade give advice to the Foreign Office with regard to the negotiation of commercial treaties - - - 28,157
Thinks that it would be desirable if the Board of Trade could receive communications on such subjects rather earlier then they do - 28,157
The elements of a good practice exists, and only want a little extending - - 28,157–61
Believes that this is the opinion of the Foreign Office also - - - - 28,161
The arrangements between the Board of Trade and the Foreign Office are in principle quite satisfactory - - - 28,162
On the subject of commercial museums the two offices are entirely at one - - 28,163–4
Does not favour the grant of Imperial money for this purpose - - - - 28,213–5
A proposal has been made to publish the tariffs of foreign countries in four or five languages - - - - - 28,164–6
Witness pays a good deal of attention to the consular reports - - 28,167
Thinks that it would be desirable if Board of Trade were able to employ their own printers - - - - 28,168, 28,197–8
In the case of very short reports published by the Foreign Office, thinks that it would be better if they were published in the Board of Trade Journal - - - 28,169–73
Thinks that there has been an improvement in the consular reports during the last 20 years - - - - - 28,174
Those on special subjects are often admirable - - - - - - 28,174–8
But a good deal of compression could probably be applied to the annual reports - 28,176–7
They are apt to get into too much of a rut - 28,178
Would not be inclined to say that the reports of any other country are superior to our own - - - - - 28,180, 28,210–2
Reports are published with sufficient quickness - - - - - 28,181
Does not think that there is any duplicate work at the Board of Trade and Foreign Office - - - - - 28,185–6
The Commercial Department at the Board of Trade is for the publication of information - - - - - 28,187
The Commercial Department at the Foreign Office is one for negotiating commercial treaties - - - - - 28,187
The Board of Trade Journal is circulated largely to chambers of commerce and mercantile men - - - - 28,197
Some copies are circulated gratuitously - 28,199–201, 28,203
It has a very fair circulation by payment - 28,202
Consular reports are received from the Foreign Office sometimes in manuscript and sometimes in print - - - 28,216–7
A consul would report on commercial and political matters in separate despatches - 28,219

Sir T. SANDERSON.

Assistant Under Secretary of State at the Foreign Office - - - - - 28,220–1
The American and treaty departments are specially under witness - - - 28,222–3
The management of the staff rests with the Permanent Under Secretary - - 28,224–5
Agrees with the evidence given by Sir P. Currie as to the staff of the office - - 28,226–7
Has not seen much of the work of lower division clerks - - - - 28,228, 28,280
Does not think that in the treaty department fewer clerks of the higher class would suffice - - - - - 28,230, 28,282
In the political department the staff ought to remain in much the same status as they now are - - - - - - 28,231–3
The consular service in China, Japan, and Siam is in witness's department - - 28,234
Believes it to be an efficient service - 28,235–8
Appointments to it are made by open competition - - - - - - 28,239–40
As a rule, a man once appointed is not transferred to another branch of the consular service - - - - - - 28,241–2
The consular service in the Levant has been recently remodelled on a somewhat similar basis - - - - - - 28,243–6
These services are expensive - - 28,247, 28,389
Theoretically, it would be desirable if the rest of the consular service were more graded than it is, so as to provide for more promotion - - - - 28,248, 28,396
But there are great difficulties in detail, partly on account of expense, and partly on account of the dissimilarity of the requirements of the different posts - 28,248, 28,250
When a vacancy occurs, the Secretary of State always considers the claims to promotion of officers in the service - 28,248–9, 28,252
Certain consulates are considered the prizes of the service - - - - - 28,251

SIR T. SANDERSON—*cont.*

The Secretary of State appoints whom he pleases to the service - - 28,253, 28,404–5
Subject to the limits of age—25 to 50 - 28,254–5, 28,404–5
If the expense were sanctioned, another set of consulates might be arranged on a system similar to the China and Levant services - - - - - 28,256
But some consulates, such as Samoa, would have to be left outside this - - - 28,256–7
This scheme would involve paid vice-consuls, and would be expensive - - - 28,258
Does not think that sufficient reasons for the change could be shown to induce the Treasury to authorise the expenditure - 28,259–61
Thinks the country is efficiently served by the existing service - - - - - 28,262
It would perhaps be well if vice-consuls, serving under consuls or under consuls-general, could have more assured prospects of promotion - - - - - 28,262–6
Every facility should be afforded for transferring men from the diplomatic service to the Foreign Office, and *vice versâ* - - 28,267–8
There would be difficulties in absolutely amalgamating the two services - 28,267, 28,274–8
In some foreign countries the two services are identical - - - - - 28,269–72
Does not believe that there is a great difference in the ability of the men in the diplomatic service and in the Foreign Office - - - - - 28,273
Men entering the diplomatic service are required to have about 400*l.* a year, of their own - - - - 28,276–8, 28,381–4
Does not see how the diplomatic and consular services could be more amalgamated - 28,279
Thinks that the supplementary clerks in the Foreign Office are necessary - - - 28,280–3
They have a greater knowledge of languages than the lower division clerks - - 28,284–9
If lower division clerks were reported fit they might take the place of some of the supplementary clerks - - 28,290–2, 28,300–3
The supplementary clerks are appointed after limited competition - - - - 28,293–8
They receive smaller salaries than the political department clerks - - - - - 28,299
Does not think there would be much advantage in passing clerks through the chief clerk's, librarian's, and treaty departments, so that they might learn the work of each 28,304–6
But would not prevent transfers, which occasionally now take place - 28,307–8, 28,311–2
There might be some advantage in passing clerks through the treaty, librarian's, and commercial departments - - - 28,309–10
Unpaid consular officers are allowed to trade 28,313–5
Extent to which the consular service is at present graded - - 28,316-24, 28,349–51
A consul who had distinguished himself would have a probability of promotion - 28,325–6, 28,385, 28,390–5
The junior diplomatic service is distinctly graded - - - - - 28,327–30
To so grade the consular service as to enable men to go forward by increments of salary would imply a great change - - 28,332–3
In most cases it would be better to have paid consuls, were it not for the expense - 28,334
It would involve great expense to make all the unpaid consuls paid - - 28,336–44
In the United States the proportion is 15 paid to 22 unpaid - - - - 28,335
Generally speaking, the unpaid consuls do fairly well - - - - 28,345
If an unpaid man were not doing well he would be replaced by someone else - - 28,346–8
It is the practice to transfer consuls from place to place - - 28,350–4, 28,363–5
Though some consuls always remain in one place - - - - - 28,352
Occasionally consuls are appointed without examination - - - - 28,355
As a rule, a good class of men is appointed - 28,356–61
It is difficult to provide a better system of promotion than now exists - - 28,362–4
Does not think that any disadvantage results from the China consular service being under witness's, instead of under the consular, department - 28,366–71, 28,377–80
The China consular reports are sent to witness, who prepares them for publication, but the final steps are taken by the commercial department - - - 28,372–6
There is no bar to a consul in the Turkish service being promoted to another branch of the service, or *vice versâ* - 28,386–9, 28,402–3
Is satisfied with the results of open competition for the China and Levant services - 28,397–401
Is rather in favour of open competition, but it is difficult to contrast the two modes of entry, as the Levant service was so recently established - - - - - 28,399–401

MR. LAW.

Was appointed two-and-a-half years ago commercial attaché for Russia, Persia, &c. - 28,407–9, 28,609
His duties are to collect information, and to attend to special commercial questions - 28,410–11, 28,628–30
He travels about for this purpose, but his headquarters are at St. Petersburg - 28,410–12, 28,497–500
He sends in reports when he has sufficient information to justify him in doing so - 28,413
Ordinary commercial matters are treated locally by a consul, but matters are constantly cropping up which require action at the embassies - - 28,413, 28,435, 28,628–30
The district he is in charge of is so immense that it is impossible for him to do all he ought to do - - 28,414–6, 28,498, 28,501–10
He has never yet been to Smyrna, the Levant, or the Persian Gulf - - - 28,416
His duties have never been specifically laid down - - - - - 28,417
Thinks that it is essential that a consul should know the language and the habits of the people of the country in which he is serving - - - 28,418–9, 28,611
Therefore it is a misfortune that consuls are shifted promiscuously from one part of the world to another - - - 28,418
But it is necessary to move them to provide for promotion - - - 28,419, 28,423
Does not think that the appointment of consuls should be absolutely only by examination - - - - - 28,612
Would not definitely appoint a consul who did not know the language of the country to which he was to go - - - 28,614
Does not think that the question of age much affects this point - - - - 28,613–5
The system in China and Japan appears to work well - - - - - 28,419
And might, broadly speaking, be applied to the rest of the service - 28,616, 28,618–22
Countries should be grouped, and promotion take place in each group - 28,419, 28,423–4, 28,484–90, 28,610–1
In South Russia the Russian language is necessary - - - - - 28,420
But in North Russia, German is sufficient - 28,420
The Black Sea, South Russia, the Caucasus, Persia, and Turkey, could be advantageously grouped together - - 28,422
Thinks the country is exceedingly well served by the consular service - - 28,424
The consular reports are sent to witness as they are printed - - - - 28,425–6
They are often of great value - 28,425–7, 28,640–3
And contain full information as to tariffs - 28,644–6
The chambers of commerce do not sufficiently make known what information they want - 28,429–30, 28,494–6

Summary of Evidence.

Mr. LAW—*cont.*

Witness has no jurisdiction over the consuls - - - - 28,431–4
But they are most willing to collect information for him - - - 28,434. 28,475–6
Mr. Crowe is commercial attaché for those parts of Europe with which witness does not deal - - - 28,436–9, 28,448
Does not think that a sufficient number of commercial attachés would ever be appointed to cover all the ground, because of the expense 28,440
Therefore would suggest that money allowances should be given to diplomatic secretaries for acquiring commercial knowledge 28,440, 28,444–7
They should also either pass through the Foreign Office Commercial Department, or work in a large consular office - 28,441, 28,647
A very limited number of roving commercial attachés would then be sufficient - 28,444
When witness is moving about there is no one at headquarters to whom he can specially refer - - 28,444–7, 28,459–60, 28 648–51
In some important places thinks that England is not properly represented by consuls, the money allowed not being sufficient - 28,449–57, 28,511–3, 28,523–7
Diplomatic secretaries have not, as a rule, had any experience of commercial work - 28,461, 28,648–51
Though they occasionally send home reports on subjects connected with commerce - 28,462–7
If attachés were attached to the commercial department of the Foreign Office they should serve there at least a year - 28,471–3
Some would gain a great deal; some nothing at all - - - - - 28,468–70
Does not think that in the entrance examination there should be any test of commercial knowledge - - - - - 28,474
The relations between the commercial and diplomatic services are very satisfactory - 28,476
Consuls have no means of knowing whether their reports are approved of - - 28,476–8
Has seen something of the Turkish consular service - - - - - 28,479–80
Thinks that a consul appointed under the Turkish system furnishes better reports than an ordinary commercial consul - 28,481–3
Witness is greatly dependent on the consuls for local information - - 28,491, 28,514
But in most places in Russia has connections of his own - - - 28,528–30
Prefers a collection of samples constantly changing, to a commercial museum - 28,493
Witness was 13 years in business - 28,516, 28,519–22
And was previously in the Army - - 28,517–8
When visiting any place would see all the traders, and hear whether they had any complaints to make - - - - 28,530–40
There are not many Russian merchants who have English connexions - - - 28,541–2
And outside of St. Petersburg there are not many English merchants properly so-called - - - - - - 28,543–5
Salary, &c. of consul-general at Odessa as compared with the German consul-general 28,546–55
The allowance of 30*l.* a year given at Cronstadt is sufficient - - - - 28,556–60
Witness reports to the Ambassador at St. Petersburg - - - - - - 28,564–5
The consular department at the Foreign Office would look after the varying importance of different ports - - - 28,566–71
In Russia some of the English vice-consuls are Russian subjects, and are traders - 28,572–4
They receive no salary - - - 28,575–6
They know the language, the wants, and the trade of the country - - 28,577–80, 28,583
But they are afraid of their own Government, which makes them not fully satisfactory - 28,580–2
Every consul is obliged to make an annual report on the trade of his district - - 28,584
Native vice-consuls receive their appointments from the consuls - - - 28,585–7
The consuls cannot oblige the vice-consuls to send in reports - - - - - 28,588
The vice-consuls are useful in smoothing difficulties with local authorities, and matters of that sort - - - 28,592–5
The Germans largely employ commercial travellers - - - 28,596–9, 28,602–3
More might with advantage be done in this way by English merchants - - - 28,600–3
Witness sent home a collection of samples of textiles, but never heard whether it was cared for by chambers of commerce, &c. - 28,603–4
Witness never served in the Foreign Office - 28,607
The unpaid consuls may be often better than the paid, because they are practically in business - - - - - - 28,624
An unpaid consul cannot be forced to draw up a report - - - - - 28,625
And very few do so - - - - - 28,626–7
But they personally give good information when asked to - - - - 28,626
Witness has nothing to do with the Board of Trade - - - - - - 28,631–2
Is perfectly satisfied with the way his reports are treated - - - - - 28,633–4
Considers that it would be his duty to report if he found that our trade was suffering from want of a consul or vice-consul - 28,637–9
But not in the case of a place where a vice-consul might be dispensed with - - 28,635–8
Does not think that the French or Germans have any officer corresponding to a commercial attaché - - - - - 28,653–4
Thinks that a German consul, in a local business question, will do for a German trader what an English consul will not, and should not do - - - 28,655–7, 28,661
An English consul can help a trader by giving him general information and assistance - - - - - - 28,658–60

Mr. DAVIDSON

Is legal adviser to the Foreign Office - 28,663–5
Was appointed in July, 1886 - - 28,664
In consequence of the recommendations of a committee - - - 28,666–7, 28,697
When questions are referred to the law officers, witness draws the reference 28,668, 28,671–4, 28,711
But settles the great majority of cases himself without reference to the law officers - - - 28,668–70, 28,693–4
The ultimate decision whether a case should be referred to the law officers rests with the Secretary of State - - - 28,674
Witness has a great deal of heavy and responsible work - - - 28,675–7
And has no department to help him - - 28,678
There is no other legal official of any kind in the Foreign Office - 28,678, 28,689–91, 28,705
In 1876 Sir J. Pauncefote was appointed Legal Assistant Under Secretary - 28,678, 28,681
And continued to discharge the legal duties after he became Permanent Under Secretary 28,686
He has now gone to Washington, and has been succeeded by Sir P. Currie, who is not a lawyer - - - - - 28,678
Does not think that the arrangements for the discharge of the legal business in the Foreign Office are so complete as in other Secretary of State's offices - 28,679, 28,687
Witness has more to do than he can satisfactorily get through - - 28,680, 28,688
Believes that he does in the Foreign Office practically what Legal Assistant Under Secretaries do in other offices - 28,683–5, 28,695
But is not a Legal Assistant Under Secretary either in rank authority, or pay - 28,685
Believed when he took the appointment that there would be always two legal officials in the office - - - 28,686, 28,698–9
And that, when Sir J. Pauncefote left, either his successor or one of the Assistant Under Secretaries would be a lawyer - - - 28,686
The legal work at the Foreign Office has greatly increased of late years 28,695

MR. DAVIDSON—*cont.*

Does not sign letters, or communicate officially with anybody of his own motion - 28,700–1
Cannot recollect any case in which an Under Secretary has not accepted his opinion upon a legal point - - - - 28,702
The legal work of the Foreign Office is more difficult and heavier than that in the Colonial Office - - - - 28,704
Nature of the questions that are referred to witness - - - - - 28,706–11
They are very numerous, very varied in character, and involve questions of difficulty and importance - - - 28,712–3

SIR CHARLES DILKE.

Was Under Secretary of State at the Foreign Office from April 1880 to December 1882 - 29,018
Considers that it would be desirable to amalgamate the Foreign Office, diplomatic, and consular services - - 29,020, 29,166–7, 29,214
Would treat the diplomatic and consular services as the Foreign Office abroad, and the Foreign Office as the diplomatic and consular service at home - - - - 29,020
Men should go backwards and forwards from one to the other - - 29,020, 29,061, 29,210
That is the case with most other countries, especially France - - 29,020, 29,061
The consular service, with few exceptions, should be a paid service - 29,021, 29,186–7, 29,225–8
There are very few men in the Foreign Office who would not have sufficient income to live abroad, if they lived carefully - - 29,022
Thinks that there is a good deal of exaggeration as to the amount of income necessary for a man to live abroad - - 29,022, 29,199–202
Doubts the necessity for the condition requiring men entering the diplomatic service to have a private income of their own - 29,023
The French have a similar condition, but it is never acted on - - - 29,023
In the French Foreign Office they make more use of unpaid attachés - - 29,024
Generally speaking, a few unpaid men might be employed if it is considered necessary to have as large a staff at our embassies as there is at present - - 29,024, 29,035–41
In the French consular service the salaries are calculated purely on the cost of living at each place - - - 29,025, 29,078
Thinks that a saving might be made by reducing the staff of our embassies - 29,026, 29,043, 29,056
There is not work in the embassies for the number of men employed there - - 29,026–9
As regards lower division clerks, is personally opposed to the existence of clerks of different kinds - - - 29,030–2, 29,168–9
But if lower division clerks are maintained, they could be more largely used in the Foreign Office than at present - 29,033, 29,141, 29,174
About one-third of the work done in the political departments is non-confidential - 29,141
This might be done by a non-confidential department manned entirely by lower division clerks - - - 29,141, 29,174
But if this work was taken away from the political clerks, they would at times have little to do - - - - - - 29,141
It is necessary to have the Foreign Office overmanned for its daily ordinary work, because of the pressure of work that constantly arises suddenly - - - 29,141
Doubts whether it is practical or convenient to attach lower division clerks to departments, making them work in separate rooms - - - - - - 29,142
In the Librarian's department, after four or five years, lower division clerks see confidential papers - - - - - 29,143
It is very undesirable to set up artificial rules with regard to secrecy as between one class of clerks and another - - 29,149
Is opposed to a suggestion that has sometimes been made to establish in the Foreign Office a separate political room as a sort of intelligence department - - 29,151–4
Does not think that the Foreign Office is overmanned - - - - - 29,144
The hours must be different from those at other offices - - - 29,145–6, 29,256–8
Thinks that in all branches of the service less regard should be paid to seniority in promotion and more to merit - 29,154–7, 29,175
Thinks that some ambassadors carry on their work too much by private letters to the Secretary of State - - - - - 29,158–65
The library, the chief clerks, and the treaty departments, if the latter was confined to mere treaty work, might be treated as separate offices, with a different staff of clerks to those employed in the political departments - - - - - - 29,170–2
Thinks that the bar between the two classes of clerks must act prejudicially - - 29,188–92
The maintenance of the third class—the supplementaries—at the Foreign Office is a needless complication - - - 29,193–5
Would have only one examination for the Foreign Office, diplomatic, and consular services - - - - - - 29,033
One advantage of amalgamation would be that it would give an inducement to young diplomatists to work, by affording more prospect of promotion - - - 29,034
If amalgamation took place, would not make it an absolutely close service, but would retain the power of bringing in outsiders - 29,041
But would hope that this power would only be acted on in rare cases - - 29,042
Money might be saved by the abolition of certain posts - - - - 29,043
But at some places the pay of the head of the mission is not sufficient - - 29,043
For instance, Washington should be made an embassy - - - 29,043, 29,181–2
On the other hand, the importance of Vienna, Rome, and Constantinople has declined - 29,043
Thinks that the representation at the smaller German Courts should be altogether abolished - - - - - 29,043–9
The most important places now appear to be Washington, Berlin, St. Petersburg, and Paris - - - - - 29,049
Thinks that it is not necessary to keep so large a staff at Paris as at present - 29,049–51
Cannot give any information as to the real value of the ambassadors' salaries at Paris and Berlin respectively - - 29,052
Does not think that any ambassador can save from his salary, except possibly at Constantinople - - - - 29,053
Does not think that, except in very distant places, it ought to be understood that an ambassador should entertain those who bring letters of introduction - - 29,053
Some reduction in salaries might be made at Vienna and Rome - - - 29,054
At Constantinople it might be difficult, as there are expensive houses to be kept up - 29,054–5
The cost of entertainment, &c. is partly the cause of the high salaries of ambassadors, &c. - - - - - 29,057–9
Sees no reason why virtually there should be two heads to a mission - - - 29,059
A consul-general or a commercial attaché might take the place of a head of a mission when he is absent - - 29,059–60
In some places consulates might take the place of missions - - - 29,061
At the present time some men have passed from the consular to the diplomatic service 29,063–4, 29,081

Summary of Evidence.

SIR CHARLES DILKE—*cont.*

And from the diplomatic service to the Foreign Office - - - 29,211-2
One advantage of amalgamation would be that the consular department of the Foreign Office would be worked by men understanding the consular work - 29,064
At the present time there is nothing to prevent the Secretary of State from misusing his consular patronage - - - 29,064
Thinks that it is necessary to maintain the separation between the Foreign Office and the rest of the Civil Service - - 29,064, 29,167
Believes that if there was open competition for the Foreign Office, foreign Governments would place men there - 29,065-6, 29,177-8
But is in favour of limited competition - 29,179-80
The standard of examination for the Foreign Office is very high - - 29,067, 29,196
But for the diplomatic service it is nothing like so high - - - 29,067-8, 29,197
Does not think that this is due to the property qualification - - - 29,198-9
Sees no objection to a rule that a certain number at least should be sent up to compete for the Foreign Office - - 29,067-72
In France, after appointment, men pass three years in the Foreign Office - - 29,073, 29,079
Two years in the political and one in the commercial section, or *vice versâ* - 29,073, 29,079
At the end of three years they pass a further examination - 29,073
And either become paid attachés in the Foreign Office, third secretaries of embassies, or vice-consuls - - - 29,073
They have a choice of the various services according to vacancies - - 29,074
They know that they will probably change two or three times during their career 29,074, 29,234
There is a power in France to bring men straight into the service without examination, but it is not exercised to a large extent - - - - 29,074
When a man has entered the consular service there is a free exchange - - - 29,075-6
Men are discouraged from remaining a long time in distant consulates - - 29,076-7
The French do not employ any clerks answering to lower division clerks - - 29,079
But the Germans employ ex-non-commissioned officers - - - 29,079, 29,150
The French seem to have more consuls-general and fewer heads of missions than we have - - - - 29,081
Instances of transfers in the French service from the consular to the diplomatic branch, and *vice versâ* - - - 29,081-2, 29,086
Does not know what is the French system in regard to reports on the efficiency of men in the service - - - 29,083
In England there are no formal reports, but there probably are virtual reports in private letters - - - - - 29,083-5
Thinks that under the French system there is more inducement to work with spirit and zeal - - - - 29,086
Has not heard more complaints from French merchants of their consuls than from English merchants of ours - - 29,087
It is difficult to compare in detail the allowances given to our ambassadors and to those of Foreign Powers; for instance, it is difficult to compare the cost of housing - 29,096-29,100, 29,104-5
To compare the cost of the various services of different countries, the various votes—Foreign Office, Consular, Embassy Buildings—should be added together - - 29,087-8, 29,100, 29,106
Does not know what the system of pensions is abroad - - - - 29,089-92
The total cost of the French services appears to be slightly larger than ours - - 29,093
Believes that in France there is 100,000*l.* voted for secret service, of which 28,000*l.* is given for the foreign service - - 29,094-5
It is difficult to compare the cost of the consular service of France with our own, because consular and diplomatic services are so much mixed up together - - 29,107-9
The French have not many unpaid vice-consuls - - - - - 29,110-1
In some cases French consuls are more diplomatic than commercial - - 29,184
Higher salaries abroad are much lower than ours, but lower salaries are larger 29,112-9, 29,121-2
Does not think that on an average the French ambassadors are so rich as the English - - - - - 29,120
But the Germans and Russians have employed men of great wealth - - 29,120
The French and Germans employ on their messenger service men on much lower salaries than we do - - - 29,122
They are thoroughly trustworthy and confidential, but they are not gentlemen - 29,123
Thinks that the Queen's messenger service should be filled by men of this sort 29,124, 29,129-33
Who should be most carefully selected - 29,124, 29,129, 29,138-40
It is absolutely necessary to maintain a Queen's messenger staff - - 29,125-6, 29,135
Letters cannot be sent in cipher because it is such a slow process - - - 29,127-8
Thinks that the "Cabinet print" is dangerous - - - - 29,133-4
Believes that the Russian messengers travel more than our Queen's messengers - 29,136-7
Men could be found on the consular staff who would be most useful in commercial negotiations - - - - - 29,205-6
In the event of complete amalgamation of the services, thinks that some of the consulates would be in demand among the men who thought they had no great future before them - - - 29,208-10
Some revision of consular salaries would have to be made - - - 29,211
Does not see the necessity of a "ladder" in the consular service - - - 29,216
A consul holding one of the best posts would, if the services were amalgamated, look for promotion to the Foreign Office or diplomatic service - - - 29,217-20
The China and Levant consular services for reasons connected with languages might, to some extent, have to be kept distinct - 29,221-4
There are not the same chances of coming to the front in the consular service as there are in the other two services - 29,229-30
But if consuls were employed in diplomatic work they would have a better chance of becoming known - - - - 29,231-4
If all the consular service was graded on the same system as the China and Levant services, the cost would be very great - 29,237-8
The best consulates are much sought after at the present time - - - 29,239
The best way to bring about amalgamation would be to do it gradually - - 29,240
Does not think there would be any difficulties of etiquette in bringing in men to the diplomatic from the consular service - - - - 29,241
Would not lay down an absolute limit of age for the whole service - - - 29,242
To some extent the French have a system of grouping their consulates, &c. in countries speaking the same language - - 29,243-4
Does not think that there is sufficient commercial business, other than consular, performed at embassies, &c. to justify one secretary being specially told off to attend to it - - - - - 29,245
Believes that the Foreign Office is increasingly anxious to make its diplomatists help traders - - - 29,246, 29,260-1
But doubts the success of the German experiment in trying to make their consuls push trade - - - - - 29,246-7
The consular reports are improving - 29,248-9
Lower division clerks might be employed on non-confidential work abroad - - 29,250-1
Too much work at the Foreign Office goes to the Secretary of State and Under Secretaries - - - - 29,252
Too many papers are printed at the Foreign Office for Parliament, &c. - - - 29,253-5

Mr. HOWARD.

Secretary of Legation at Pekin - - 29,263-7
Does not think that the complete amalgamation of the Foreign Office and the diplomatic service is feasible - - 29,268, 29,457
It might answer in the lower grades, but not in the higher - - 29,269, 29,276-8, 29,457
At the present time there is a good deal of interchange between the two services - 29,275-8, 29,454-6, 29,465-71
No man ought to serve abroad unless he has at least 400*l.* a year - 29,271-2, 29,392, 29,463-4
The social duties abroad entail expense - 29,273-4
The constant changes from place to place also make the service very expensive - - 29,279-80
Has never had any experience of unpaid honorary attachés, but would think that their employment was desirable - - 29,281-3
Has never served at an embassy - - 29,284
Does not believe that the staff at embassies could be reduced - - - 29,285
Knows a good deal about the China consular service, which is a satisfactory one - 29,286-7, 29,326
Has recently made a report upon it - 29,287-9
Does not think that the diplomatic and consular services could be amalgamated - 29,291, 29,440, 29,462
Does not think that the amalgamated system in France answers - - - 29,292
The men are taken from such very different classes - - - - 29,293
A different kind of man is wanted in diplomacy from what is wanted in the consular service - - - 29,294
The Secretary of State can now appoint a man in the diplomatic service to a consulate if he pleases - - 29,295-6, 29,299-301
As a rule in the consular service a man wants a salary to live upon, but not in the diplomatic service - - - 29,297
There are instances of men being brought into the diplomatic service from the consular - - - 29,302-4, 29,461
In China the consular and diplomatic services are perfectly separate - - 29,305-6, 29,311
But the consuls are political officers and judges - - - - 29,307-10
Thinks that it is almost an advantage for diplomatic officers in China not to know the language - - - - 29,312-20
The men in the consular service must know it - - - - - 29,311, 29,318, 29,441
Two ministers in China were appointed from the consular service - - 29,324-5, 29,434
Believes that the consular service generally is very satisfactory - - - 29,327
Men in both the diplomatic and consular services have to entertain largely - 29,328-32
Thinks that the Americans would like Washington to be made into an embassy - 29,333-6
It would not make any practical difference as regards the actual duties, &c. - 29,335-6
But an ambassador would not take charge of a legation, so that the field of selection is limited - - - - - 29,337-40
Sufficient provision is not made in the Diplomatic Pensions Act for first secretaries - 29,341-52
The result is that they do not retire - 29,342-3
There should be a specified time after which a man might take his pension - - 29,348
The diplomatic service ought to be put under the unhealthy climate system - 29,349-51
This applies at present to the consular service only - - - 29,366-7, 29,369
Does not think that the scale of pension in the diplomatic service is much higher than in the consular - - - 29,368
Has had experience both in the Foreign Office and abroad - - - 29,354
The system of dealing with papers is much the same in both cases - - - 29,355
Thinks that clerks such as the lower division would do very well in part of the Foreign Office - - - - 29,357, 29,364
But does not think that their employment abroad would answer - 29,356, 29,358, 29,474-5
A permanent chancelier might be useful in some places - - - - 29,476
Mode of dealing with papers, &c. in embassies, &c. abroad - - 29,539-62, 29,477-80
Thinks that the clerical arrangements are satisfactory - - - - 29,363-5
And that the English diplomatic service is quite equal, as regards knowledge of languages, to any foreign service - 29,373-7
China is quite exceptional - - 29,378
And a completely separate consular service is required there - - - 29,379
It is better not to keep a diplomatic officer too long in China - - - 29,380
In China, men of the consular service act as interpreters - - - - 29,382-5
They are perfectly competent and satisfactory for all diplomatic purposes - 29,386-7, 29,429-33
Junior men in the diplomatic service of foreign countries receive much the same salaries as in the English service - - 29,393
Does not think the expense of the diplomatic service could be reduced - - - 29,394
Does not believe a British Ambassador, &c. ever saves money - - - 29,395
Believes that foreign ministers are paid extra for official entertainments given by them - - - - 29,395-400
The Austrians and Germans employ more unpaid attachès than we do - - 29,401-2
One reason why the scale of salaries paid to our diplomatic service is higher than those of other nations is the expense of entertainment - - - 29,404-11
Does not think that the ambassadors of foreign countries are paid much less than ours - - - - 29,413-7
Consuls as a rule have not the training necessary for social duties abroad - - 29,423-5
There is no regular interchange between the diplomatic and consular services - - 29,435-9
And witness is not in favour of it - - 29,440
Does not think that there would be any advantage in transferring the control of the China consular service to the consular department of the Foreign Office - - 29,442-6
Thinks that the Chinese commercial reports are as good as the other commercial reports - - - - - 29,447
And that the consuls are doing all they can - - - 29,448-51, 29,453
But they would be no good in the diplomatic service - - - - 29,452
A consul might be useful in the commercial department of the Foreign Office - 29,458-60
Witness has never served in the commercial department of the Foreign Office - 29,481
An attaché has an opportunity of learning about commerce abroad - - - 29,482-3
But of course the commercial business is principally in the hands of the consuls - 29,484-5
If a legation has to report on a commercial subject it is usually the first secretary's duty to do so - - - 29,489
He obtains the necessary information either from the consuls, or through the commercial department of the country - 29,490-2

Mr. FANE.

Is secretary of embassy at Constantinople - 29,497-500
The examination for the diplomatic service is not so difficult as for the Foreign Office, because there are fewer competitors - 29,501-2
Only men with a certain income can enter the diplomatic service - - - 29,503
If there were more interchange with Foreign Office clerks, the salaries of the diplomatic juniors would have to be increased - 29,504
Life at an embassy is more expensive than a Foreign Office clerk's life need be - 29,505-8, 29,527-8
A partial fusion of the two services would be advantageous - - - 29,509-10
Witness served for a few months in the Foreign Office - - - 29,511
It would be useful for Foreign Office clerks to see something of the work of the diplomatic service, and *vice versâ* - - 29,512-4

Summary of Evidence.

Mr. FANE—*cont.*

Does not believe that the amalgamation of the consular and diplomatic services in France is carried very far - - 29,515–9
Does not think that an amalgamation of the consular and diplomatic services of England is desirable - - 29,520, 29,595, 29,616
A different class of men is required for the diplomatic service to those who enter the consular service - 29,521–5, 29,555–6, 29,598–600
We have not many political consuls - 29,522, 29,592
It would be undesirable to have in our chanceries abroad persons not belonging to the regular diplomatic service - - 29,526
Believes that, relatively speaking, the salaries of our ambassadors, &c. are not higher than those paid to men of the same rank in foreign services - - 29,529–35
Believes that frequently the cost of official entertainments given by foreign ambassadors are paid by their Government - 29,531–3
The English embassies, &c. entertain a great deal more than the foreign do - - 29,535
The salary of the minister at Washington is now 6,000*l.* a year - - - 29,536–7
It is one of our most important diplomatic places - - - - 29,537–8
An ambassador is put to greater expense in entertaining than a minister - 29,538–9, 29,542–4
The cost of entertainment in Paris is very large - - - - 29,540–1
It would not be possible to have a minister at Paris instead of an ambassador - 29,545
The legation at Washington might be made into an embassy - - - 29,546
To appoint an ambassador to a country instead of a minister is a mark of respect 29,548–9, 29,552
The appointment of honorary attachés is desirable - - - - 29,550–1
Thinks that in places like Berlin and Vienna it would be better to have a British subject as consul if one could be found who would do the work for nothing - 29,557–67, 29,612
But doubts the necessity of having paid consuls in such places - - - 29,565
Has had experience of the consular service in Turkey and the Levant - - 29,568
The head of the chancery at Constantinople has charge of the school of student interpreters - - - - 29,569
Believes that the school is going to be closed for reasons of economy - 29,569–71, 29,575
This school has turned out excellent young men - - - 29,572–7, 29,586
They could not yet have filled the higher consulates - - - - 29,580
The men appointed in this way are quite as good as the ordinary consuls - - 29,584–6
In the East, generally a consul has more chance of distinguishing himself than in other parts of the world - - 29,587–90
To a certain extent, this has a healthy effect upon the service - - - 29,591
The secretary of an embassy reports on the general commercial business of a country - 29,593
The consuls' reports are local - - 29,594
A consular post has the advantage of permanency - - - - 29,596–7
Some of our diplomatic representatives are Consuls-General - - - 29,600–2
Does not think there would be any advantage in giving more political work to the consuls - - - - 29,603–7
Paid consuls are not allowed to trade - 29,609–11
A consul has usually to act on his own responsibility - - - 29,619
A large portion of a young diplomatists' work is of a mechanical character - - 29,617–8
But it improves them and trains them for higher posts - - 29,620, 29,623
And they are occasionally entrusted with tasks of an important kind - - 29,623
In the embassies a second secretary has higher duties to attend to than a consul has - - - - 29,625
Nature of the duties of a second secretary at Constantinople - - - 29,626–9
The work of a consul, though requiring just as much mental power, is of a totally different kind - - - 29,630
He would have nothing to do with our commercial policy with a foreign country - 29,631–4
Though he might be consulted about it - 29,632, 29,636–8
Witness never served in the commercial department of the Foreign Office - 29,639
Thinks that all men in the diplomatic service should pass through that department - 29,640–2
Thinks that the consular service is very efficient - - - - 29,645–7
Thinks that after a man has served abroad in the diplomatic service some 25 or 30 years, he ought to be entitled to claim a fourth-class pension - - - 29,648–57
At present it is optional with the Treasury to grant it or not - - 29,652–4, 29,658
The Secretary of State ought to be the judge, and not the Treasury - - - 29,652–4
The junior members of the service are very inadequately paid - - - 29,653
And the pension is looked forward to as partly compensating for this - - 29,653
No fourth-class pension has been granted since 1879 - - - - 29,659–60

Mr. WARD.

Is consul at Bordeaux - - - 29,661
Has had nearly 30 years' experience in consular service - - - - - 29,662–4
It would be an advantage if consuls after first appointment served in the Foreign Office for about a year - - - 29,665, 29,668
Witness spent about two months there - 29,666–7
Thinks that the examination for consulships is all that is required - - - 29,669
But the qualifications of a consul cannot be well ascertained merely by examination - 29,669
It would be of great advantage if there were a ladder in the service providing for promotion 29,670
But it would be difficult to arrange because the various posts require various qualifications - - - - 29,670–2
The general amalgamation of the consular and diplomatic services is not desirable - 29,673, 29,768–70
Though some amalgamation might take place at large ports where there are legations - 29,673, 29,701
Thinks that in the French service consuls care less about commercial matters than political - 29,674–6
The duties of witness at Bordeaux are not purely commercial - - - 29,677–8
In case of reporting on anything of importance would send his report through the embassy at Paris - - - - - 29,679
During the last few years has had more demands made on him for reports, &c. - 29,680–1
And more applications from English traders for information - - - - 29,682–4
The limits of age for the consular services are 25 to 50 - - - - 29,685
Thinks that 25 is the lowest that should be allowed - - - - 29,686
The commercial attaché in Paris helps the consuls and the consuls help him - - 29,687–9
Believes that most consuls are of opinion that they have hardly sufficient inducements to do exceptionally meritorious work - 29,690, 29,751, 29,766–7
Thinks that a system of personal allowances for rewarding exceptional service would be advantageous - - - - 29,693
Does not think that it is desirable to move consuls from place to place frequently - 29,692–3
Thinks that it would be impossible to group the paid consuls in districts - - - 29,694
Witness speaks both French and German - 29,695–6
It is impossible for a consul to discharge his duty without being familiar with the language of the country in which he is serving - 29,697

Mr. WARD—*cont.*

Thinks that the French consuls he has seen are well qualified for their posts in point of knowledge of law, but not so well in point of languages - - - - - 29,700
The English consul at Paris holds the rank of second secretary of embassy - - - 29,702–4
The expense of living at a place chiefly regulates the salaries of consulates - - 29,705–6
The appointment of consuls is a matter of patronage - - - - - 29,707–8
Consuls hold naval courts under the Merchant Shipping Act - - - - - 29,709–16
But such courts are very rarely necessary - 29,716
As a rule, a consul, after appointment, serves about six months in the Foreign Office - 29,717–20
Thinks that it would be better if he served there before he was definitely appointed - 29,720
As a rule, his instructions come to him direct from the Foreign Office - - - 29,721
He sends reports to, and receives instructions from, both the Foreign Office and the Board of Trade - - - - - - 29,722–3
Does not believe that foreign consuls do more for trade than the English ones - - 29,724–5
Witness passed an examination when he entered the service - - - - - - 29,727
It is a very easy examination - - 29,728–32
The examination is not always enforced - 29,734
But thinks that it ought to be - - 29,735, 29,737
Does not see how consuls could be appointed otherwise than by patronage - - 29 736
Witness served two years in the United States and five years in East Prussia - - 29,738–45
And after that was sent to Bordeaux - - 29,746
If a consul makes a specially valuable report a letter of commendation is written to him by the Secretary of State - - - - 29,748–50
The consular reports are published separately - 29,752–4
The work at Bordeaux is mainly shipping business and notarial work - - - 29,755–6
The recent increase in consular fees has not caused any friction - - - - 29,757
Does not think there would be much advantage in members of the diplomatic service having experience in commercial work - - 29,758–9
Does not think that French consuls are in a better position than English - - 29,760
In the French service there are constant transfers from one branch to the other - - 29,761
The only transfers in the English service are from the top - - - - 29,763–4
A consul does not look forward to a transfer to the diplomatic service - - - 29,765
Witness has never traded - - - 29,771
Believes that the prohibition against paid consuls trading is strictly enforced - - 29,772–3
Never heard complaints of foreign consuls trading - - - - - 29,774–5
Thinks that there should be a uniform scale of pension awarded to all the consuls of the superior grades - - - - 29,778, 29,781
Does not think the pension should be calculated on the salary of the post the consul last quits - - - - - - 29,778–80
Would suggest that after 10 years, in some circumstances, there should be a right to a pension of 100*l.*, to be increased by 15*l.* for each subsequent year's service - - 29,782–5
Believes this would rather decrease the total vote for pensions - - - - 29,783
Believes that a consul now is obliged to retire at 70 years of age, but has a right to retire at 65 - - - - - - 29,786
The provisions as to pensions for unhealthy climates are satisfactory - - - 29,794
Thinks that the German and Russian consuls are superior to the English as regards knowledge of languages - - - - 29,787
But that our consuls are pretty well qualified in this respect - - - - - 29,788
Would not make the examination more stringent in respect of languages - - 29,789–91
All consular fees are now paid to Government 29,792–3
The unpaid consuls generally are ready to help when required - - - - 29,795–6
Would not extend the system of unpaid consuls - - - - - - 29,797–9
Would not give the honorary title of consul or consul-general to trading foreigners - 29,800–2
There should be a distinction between the paid English consul-general or consul, and the unpaid foreign traders - - - 29,803
The unpaid men ought to be all vice-consuls - 29,804

Mr. MOWATT.

The Diplomatic Pensions Act differs materially from the ordinary Civil Service Superannuation Act - - - - - 29,805–6
The amounts of the several classes of pensions are not fixed, the words being, "not exceeding the following amounts" - - 29,806–7
As regards the fourth class, the Treasury have questioned whether, when a medical certificate was not produced, and the officer withdrew from the service, the full amount should be given him - - - 29,807, 29,812, 29,828–31
The Secretary of State has expressed his willingness to consider this point with the Treasury - - - - - - 29,808
No medical certificate is required for a third-class pension - - - - - 29,809
In the lower branches of the diplomatic service, the salaries are low, and practically that is made up by a higher pension on easier terms - - - - - 29,810
From a Treasury point of view this is not satisfactory - - - - - 29,811
The medical certificate required is the same as for the ordinary Civil Service - - 29,813–4
A first secretary comes under the fourth-class pension - - - - - - 29,815
Section 8 of the Act applies to second and third secretaries retiring for ill health on low salaries, and insures them a higher rate of pension than the ordinary Civil Service scale - - - - - 29,816–9
From a Treasury point of view thinks that a medical certificate should be required for a fourth-class pension - - 29,820, 29,822
There may be other considerations affecting men high up in the service - - 29,821
The fourth-class pension might be abolished, and clause 8 made apply to all below the third class - - - - - 29,823–5
A man is eligible for a pension of the fourth class after 15 years from the date of his receiving his first commission, practically 17 years in all - - - - - - 29,826–7
There have been very few pensions granted under section 8 - - - 29,832–5
A difficulty may occur in a man being pronounced unfit to take up an appointment in some climate, and there being no other place open for him - - - - 29,836
If in consequence he has to retire he can be recalled to service - - 29,837–42, 29,852–4
The fourth-class pension has been awarded to men who did not retire on the ground of health or age - - - 29,846–8, 29,850
Speaking from a Treasury point of view this is not satisfactory - - - 29,851
After 15 years' service a man can be retired on a pension in either of the four classes - 29,849
Has no official knowledge of a man in the diplomatic service who has retired on account of ill health working afterwards in the City or elsewhere - - - - 29,855–6
That would be a matter for the Secretary of State to see to - - - 29,857–8
The Secretary of State determines to which class of mission the various embassies, &c. should belong - - - - 29,860–4
Consuls are granted pensions on the ordinary Civil Service scale - - - - 29,865
Certain districts are scheduled as unhealthy, in which cases two years' service counts for three - - - - - 29,866

Summary of Evidence.

Mr. MOWATT—*cont.*

Does not see how a consul's pension could be calculated on any other basis than that of salary - - - - - 29,868–74
The diplomatic pension vote comes to about 24,000*l.* - - - - - - 29,875–8
Comparison of diplomatic pensions with those of the Civil Service generally - - 29,878*a*
The average diplomatic pension is practically equivalent to that of a civil servant of corresponding rank - - - - 29,878*a*
There is no age definitely laid down at which a diplomatic officer can claim a pension - 29,879
It would be desirable to give a right to retire at 60, as in the Civil Service - - - 29,880–2

Mr. BOURNE.

Acting consul on the Chinese coast - - 29,884
Joined the service as a student interpreter - 29,885
Consuls in China have to administer British law - - - - - - 29,887, 29,921
They pass a special examination in law - 29,888
Since 1872 appointments to the China consular service have been made by open competition 29,889
They are examined in England in ordinary subjects - - - - - - 29,890
And are then sent to Pekin as student interpreters to learn Chinese - - 29,890–3, 29,925–6
When a vacancy occurs they are appointed assistants - - - - - 29,895
Their duties are both political and commercial 29,896
29,960
From assistants, they become vice-consuls and consuls - - - - - 29,897
The consular service in China is subordinate to the diplomatic service - - - 29,898
The Chinese secretary and assistant secretaries, who belong to the consular service, are attached to the legation at Pekin - 29,899–903, 29,966
There is an absolute block in promotion - 29,904–6, 29,923, 29,927–8, 29,938–9
Witness has received no promotion for 10 years 29,924
Thinks that promotion should be made after a fixed number of years on the recommendation of the Minister - - 29,907, 29,929–31, 29,939
And that acting appointments as consul or vice-consul should not be filled by assistants receiving a temporary allowance - - 29,908–11
An assistant does not hold a commission - 29,912–3
The pay of a vice-consul begins at 600*l.* - 29,914
And the highest pay of an assistant is 400*l.* - 29,915
The assistants count service for pension - 29,916
Does not think that the work done by the China consular service is fairly recognised - 29,918–9, 29,923, 29,981–2
A student interpreter has the chance of rising to 300*l.* a year - - - - 29,932–3
The vacancies in the consulates and vice-consulates are filled up by assistants - - 29,934
And the higher paid consulates by lower paid consuls - - - - - 29,935
Nobody is brought in from the outside - 29,936–7
Does not think that the block in promotion would be cured by not appointing so many student interpreters - - - 29,938–42
The service is kept at a certain standard of strength - - - - - 29,943–5
There are no men in the service who are not in regular employment - - - - 29,946
The total number of vice-consuls, assistants and student interpreters is about 60 - - 29,947
A man can learn enough Chinese to be useful in about two years - - - 29,950–2
There is very rarely an exchange between China, Japan, and Siam - - - 29,953
The Japanese posts are pleasanter than those in China - - - - - 29,956
The Chinese are very troublesome to deal with 29,956
But the merchants are very precise in their dealings - - - - - - 29,957–9
When a political question arises, a consul would communicate at once with the legation - 29,961
But he constantly has to act on his own initiative - - - - - - - 29,962–5
The present system of selecting and sending out diplomatic officers is a good one - - 29,967–8
The consuls communicate direct with the Foreign Office - - - - 29,969–72
Does not think that English merchants have any cause to complain of the action of the English consuls in China - - 29,976
The Germans are serious rivals, but the German consuls may go too far - - - 29,976
The English consuls are encouraged to do all they can to aid trade - - - 29,977
They pick up commercial knowledge in dealing with the ordinary work of a consulate - 29,979–80

LIST OF WITNESSES.

	Page.
Tuesday, 12*th November* 1889.	
Sir Philip W. Currie, K.C.B.	1
Wednesday, 13*th November* 1889.	
Sir Francis Alston, K.C.M.G.	15
Mr. C. M. Kennedy, C.B.	28
Thursday, 14*th November* 1889.	
Sir Philip W. Currie, K.C.B	33
Wednesday, 11*th December* 1889.	
Sir Percy Anderson, K.C.M.G.	47
Thursday, 12*th December* 1889.	
Sir Edward Hertslet, C.B.	60
Mr. C. M. Kennedy, C.B.	67
Friday, 13*th December* 1889.	
Mr. James Bryce, M.P.	74
Thursday, 13*th February* 1890.	
Mr. Robert Giffen, LL.D.	87
Sir Thomas H. Sanderson, K.C.M.G., C.B.	92
Friday, 14*th February* 1890.	
Mr. Edward F. Law	99
Mr. William E. Davidson	109
Thursday, 27*th February* 1890.	
Sir Philip W. Currie, K.C.B.	112
Thursday, 6*th March* 1890.	
The Right Hon. Sir C. Dilke, Bart.	124
Friday, 7*th March* 1890.	
Mr. Henry Howard, C.B.	140
Mr. Edmund D. V. Fane	149
Thursday, 13*th March* 1890.	
Mr. William Ward	157
Mr. Frank Mowatt, C.B.	161
Mr. Frederick S. A. Bourne	164

LIST OF WITNESSES,

ARRANGED ALPHABETICALLY.

	Page.		Page.
Alston, Sir F.	15	Giffen, R.	87
Anderson, Sir P.	47	Hertslet, Sir E.	60
Bourne, F. S. A.	164	Howard, H.	140
Bryce, J.	74	Kennedy, C. M.	28, 67
Currie, Sir P.	1, 33, 112	Law, E. F.	99
Davidson, W. E.	109	Mowatt, F.	161
Dilke, Sir C.	124	Sanderson, Sir T.	92
Fane, E. D. V.	149	Ward, W.	157

MINUTES OF EVIDENCE

TAKEN BEFORE

THE ROYAL COMMISSION

ON

CIVIL ESTABLISHMENTS.

SEVENTY-SIXTH DAY.

7, Whitehall Place, Westminster, S.W., Tuesday, 12th November, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.
Rt. Hon. H. H. FOWLER, M.P.
Mr. A. B. FREEMAN-MITFORD, C.B.
Mr. J. CLEGHORN.
Mr. A. S. HARVEY.
Mr. R. W. HANBURY, M.P.
Mr. H. W. LAWSON, M.P.
Mr. J. W. MACLURE, M.P.
Mr. H. WALPOLE, C.B., *Secretary.*

Sir PHILIP W. CURRIE, K.C.B., called and examined.

Sir P. W. Currie, K.C.B.

12 Nov. 1889.

25,980. (*Chairman.*) I believe you are the Permanent Under-Secretary of State to the Foreign Office?—Yes.

25,981. In the questions we propose to put to you to-day, we intend to confine ourselves in the main to the constitution of the Foreign Office and its establishment, and to leave out for the present the diplomatic and consular services, except so far as it becomes necessary to introduce them. In the memorandum which you have been good enough to furnish to the Commission, you speak of the re-organisation of the Foreign Office in 1881, and state that it has been divided into eight departments, three being political and one partly so. Was that division into eight departments a new one?—There was a reduction of the numbers of the establishment, and the departments themselves were reduced in number. Instead of seven senior clerks—the heads of departments—we have only five. "It will be seen that the scheme," this is in a letter to the Treasury proposing the re-organisation, "contemplates the immediate reduction of the staff of "the establishment by four clerks, viz., one senior "clerk, two assistant clerks, and one junior clerk, and "a re-arrangement of the classes of the junior clerks. "Instead of ten first-class junior clerks, nine second-"class, and six third-class, it is proposed to form only "two classes, with the addition of four lower division "clerks to be employed in the commercial and con-"sular branches of the office. It is intended to "further reduce the number of senior clerkships, when "circumstances will admit, by substituting for the "senior clerk, now retained on his present scale of "salary in charge of the Slave Trade, &c. business, "an assistant at the same salary as the other assistants, "viz., 700*l.* by 25*l.* to 800*l.*"

25,982. Do I understand that the number of departments was reduced in 1881?—Yes. What was then called the German department was merged in the French; they were two separate departments, but they are now one department, which is called the western. There was a certain amount of remodelling at that time; there were re-arrangements of the departments in 1881 and 1882, the result of which is that their numbers have been reduced from seven to five.

25,983. The re-organisation in 1881 was in fact a re-modelling of the eastern, western, American, consular, commercial, and other departments; and then there was the reduction of which you have spoken, in the number of clerks?—Yes.

25,984. I think the division in the departments is pretty well explained in the memorandum?—I think the memorandum gives all the facts, but I may say that the result of the re-organisation in 1881, and the further re-arrangement of departments in 1882, was to reduce the number of departments, to reduce the number of clerks, and to take in four lower division clerks.

25,985. Is there a chief clerk at the head of each of the eight departments?—There is a senior clerk, as we call him, at the head of each department. We look upon the eastern, the western, and the American as purely political departments. The consular department is partly political, because it deals with African questions. It also deals with the consular business which is not political, and on which lower division clerks are employed. The commercial department is partly political, in the sense that there is a certain amount of confidential business in it, but there is a good deal of routine business, and lower division clerks are employed there also on the non-confidential work In the chief clerk's department the only man who is on the regular establishment of the Foreign Office is the chief clerk himself; the others are either what we call supernumerary clerks or lower division clerks. The library is to a certain extent outside the office, and the men employed there are either supernumerary clerks or lower division clerks. The treaty department is the same. As I have stated in the memorandum, "in the political departments only "clerks on the establishment and members of the "diplomatic service are employed, the latter on "first appointment, by exchange or by special "permission. In the consular and commercial

Sir P. W. Currie, K.C.B.

12 Nov. 1889.

"departments, lower division clerks assist in the "routine and non-confidential work. In the consular "department, besides the staff of clerks, consuls are "employed on first appointment or by special permis- "sion. In the chief clerks', librarian's, and treaty "departments, clerks corresponding with the 'sup- "plementary' clerks of the Treasury are employed, "assisted by lower division clerks."

25,986. (*Mr. Hanbury.*) May I ask what you mean by "clerks on the establishment"?—Clerks on what we call the diplomatic establishment of the Foreign Office.

25,987. (*Mr. Freeman-Mitford.*) Do you mean what would be called in another office the upper division clerks?—Yes, and what we have called in the memorandum supplementary clerks are. I believe, also technically upper division clerks. I understand that it has been laid down that clerks with salaries rising above a certain point are upper division clerks; and I believe the definition of an upper division clerk is a man whose salary rises, I think it is, above 400*l.*

25,988. (*Mr. Hanbury.*) What is the difference between him and a "clerk on the establishment." I ask because it is a new phrase to me, and I have not met with it before?—We are speaking of the clerks of the diplomatic establishment of the Foreign Office; that is, they are the confidential clerks; they are the men who are employed on the confidential business—the diplomatic business. The second class, the supplementary clerks, are the men who are employed in the non-political departments. Formerly they did the whole of that work, but they now divide the work of the non-political departments with the lower division clerks.

25,989. (*Chairman.*) Perhaps it would be convenient if you would be good enough now to take each class of men employed in the Foreign Office, and to state what are the terms of admission, and what is the nature of the work which they do. To begin with the lower division clerks: as I understand, they occupy the same position as lower division clerks all over the Civil Service?—Yes.

25,990. And there is no difference between their position in the Foreign Office and their position anywhere else?—No.

25,991. It is stated in your memorandum that the lower division clerks assist in the routine and the non-confidential work of the consular and commercial departments, but they are not employed in the political departments?—That is so; they are not employed in the political departments.

25,992. Therefore when you speak of clerks on the establishment being employed in the political departments, you mean something different from the lower division, who are not termed clerks on the establishment of the Foreign Office?—That is what I mean.

25,993. You have in view a clerk who is distinctly a Foreign Office clerk employed in the diplomatic establishment of the Foreign Office?—We have two classes of clerks in the Foreign Office entirely apart from the lower division clerks. We have the clerks on the diplomatic establishment who are employed in the political work and the confidential work, and we have a class whom we have, in the memorandum, termed "supplementary." I do not know what name to give them, but as I found there were some clerks in the Treasury called supplementary clerks, I used that term.

25,994. (*Mr. Lawson.*) Where do the supplementary clerks appear on the estimates?—I do not think they are called supplementary in the estimates.

25,995. (*Chairman.*) Speaking generally of the lower division clerks, has their employment varied of late years—are there more of them or fewer of them?—We never had any lower division clerks until the reorganisation in 1881. Then, in 1882, some were appointed to the chief clerk's department, and a short time ago four new ones were added to the library.

25,996. Were they in lieu of clerks on the establishment?—No, they were an increase of the establishment.

25,997. In consequence of the increase of work in that department?—It was found that the registration could not be kept up. It had fallen, indeed, very much into arrear. So we got the Treasury to allow us temporarily 10 clerks in order to work it up, and those are to be employed, I think, for five years. They were entirely extra. Then, in order to prevent the registration falling into arrear again, we got four lower division clerks to assist in the registering work.

25,998. (*Mr. Freeman-Mitford.*) That was in the registering of the library, I suppose, and did not apply to the departmental registering?—No, I ought to have spoken of it as the indexing of papers for reference.

25,999. (*Mr. Lawson.*) Who did that work in 1881?—It was done in the library, but the librarian, owing to press of work, had not been able to keep it up, and it had fallen into arrear. Therefore we got some men to work up the arrear, as an extra thing, and we got four lower division clerks to assist them, in the hope that once worked up it would never fall into arrear again.

26,000. (*Mr. Cleghorn.*) Are those the four clerks described in the estimates as third-class clerks beginning at 100*l.* and rising to 240*l.*?—No, those four extra clerks belong to the 17 clerks of the lower division.

26,001. (*Mr. Lawson.*) Will those men be required when you have once got the registry in order?—The four clerks will be required, but not the 10 who are now engaged in working at the arrears. Those 10 are not lower division clerks. The Treasury could not give us lower division clerks and so we were authorised to engage men specially wherever we could get them.

26,002. (*Chairman.*) Are we to understand that, speaking generally, the employment of the lower division clerks in the Foreign Office is confined to what you describe as routine and non-confidential work?—That is so.

26,003. Have you found in your experience of these clerks that there is any work they are fit to do other than that which you usually give them; do you find that there is other work which you can entrust to them?—The lower division clerks are very fully employed, not only in copying, but also on registration and the custody of non-confidential papers. I have observed their work, and they seem fully occupied.

26,004. I am speaking rather more of the nature of the work. Do you find from the qualifications and capacities of these men that there is a good deal of work other than the merely routine and non-confidential work which you can entrust to them?—I understand that no such work has been entrusted to them; they are not required for that class of work.

26,005. (*Mr. Lawson.*) There are 17 lower division clerks in the Foreign Office, but I do not quite gather where the rest of the 17 are?—There are two in the commercial department, two in the consular department, eight in the chief clerk's department, four in the librarian's department, and one in the treaty department: those make 17 in all.

26,006. (*Chairman.*) Then the supplementary clerks, in what department are they employed?—In the chief clerk's department, the librarian's department, the treaty department, and there is one in the commercial department.

26,007. How are they appointed?—They are nominated by the Secretary of State. The examination for the librarian's department is the same as for the diplomatic establishment. For the chief clerk's and treaty departments test examinations only have been required.

26,008. At what salaries do they come in?—In the chief clerk's department there is a first class clerk who has a salary of 400*l.*, rising by 20*l.* a year to 600*l.*; he corresponds to the assistant clerks on the regular establishment. Then there are two clerks in the chief clerk's department, whose salaries rise from 400*l.* to 500*l.* In the librarian's department there is a sub-librarian whose salary rises from 550*l.* to 650*l.*, two first class clerks with salaries rising from 400*l.* to 500*l.*, two second class clerks with salaries rising from 250*l.* to 360*l.*, and four third-class clerks with salaries rising from 100*l.* to 240*l.*

26,009. (*Mr. Fowler.*) Are the supplementary clerks all entitled to pension?—Certainly.

26,010. Then they are on the establishment; the test of being on the establishment being that they are permanent civil servants entitled to a pension, therefore all these supplementary clerks are permanent civil servants?—Certainly they are.

26,011. What then is the advantage of keeping up a distinction of title between supplementary clerks, who rise to as high as 600*l.* a year, and assistant clerks, who are getting from 700*l.* to 800*l.*, and junior clerks.

who rise up to 600*l.*?—It is only for convenience; the character of the work being different.

26,012. Would there be any objection to consolidate them all into one class?—Their work is distinct.

26,013. That I assume, as there might be distinct work for different classes of officers in the army, but is there any reason why they should not be all consolidated into one class?—I do not think there is any reason in favour of the present method, except that the men who are employed on the more important and more confidential work have been more highly paid, and that they are looked upon as rather a different class of men.

26,014. (*Mr. Hanbury.*) Do the supplementary clerks pass from one class to the other?—No.

26,015. Is there a distinct barrier drawn between them and classes above them?—There is a distinct barrier.

26,016. (*Mr. Fowler.*) Therefore there is no promotion from one to the other?—No.

26,017. (*Mr. Maclure.*) And no interchange?—No.

26,018. (*Mr. Fowler.*) Is the mode of admission the same?—Yes, as far as nomination by the Secretary of State is concerned.

26,019. (*Mr. Lawson.*) Were these supplementary clerks appointed by examination?—They were nominated in the same way that the others were, and admitted after limited competition.

26,020. Do they enter knowing that they cannot be promoted into the higher class of the Civil Service?—Certainly they do. I have known cases where men have tried to get on to the diplomatic establishment, perhaps have competed and failed, then eventually have got a nomination for what I may call the supplementary establishment.

26,021. (*Chairman.*) When there is a vacancy among the supplementary class does the Secretary of State nominate a certain number of candidates?—Yes, except in the case of the chief clerk's and treaty departments, where, as I have mentioned, the examination has been a test one.

26,022. I believe he can nominate any one he pleases for that?—Yes, certainly. There has been a case in which a man on the supplementary establishment was very anxious to pass into what we call the diplomatic establishment, but it was ruled that he must go through the other examination just as if he were not in the service at all; that he could only get in by competition with men who were competing for the diplomatic establishment. He got a nomination, but he declined to go up, and he remains in the supplementary establishment.

26,023. Then when you now talk about clerks on the diplomatic establishment, as I understand, you really mean the same men as those you refer to as clerks on the establishment in your memorandum?—Yes, no doubt it is not quite clearly stated there; it is rather a difficult thing to explain unless one explains it by word of mouth.

26,024. (*Mr. Maclure.*) Are these supplementary clerks necessarily nominated from other branches of the Civil Service?—No.

26,025. They may be nominated from outside?—Yes.

26,026. (*Mr. Hanbury.*) Do I understand that there is a barrier between the lower division clerks and the supplementary clerks, with again a second barrier between the supplementary clerks and the clerks on the establishment?—The lower division clerks are like the lower division clerks in any other office; they do not belong exclusively to the Foreign Office, and may, I believe, be transferred to any other office. The supplementary clerks belong exclusively to the Foreign Office, but there is a barrier between them and the men on the diplomatic establishment.

26,027. Other offices have been in some doubt as to whether their lower division clerks could be promoted into these higher offices. What is the rule in the Foreign Office?—There has never been any question of promoting the lower division clerk.

26,028. Not into the supplementary rank?—No.

26,029. (*Mr. Lawson.*) Is there anything in the nature of a staff office in the Foreign Office to which a lower division clerk could be promoted?—There certainly is none, because all persons, except the lower division clerks, have to come in by limited competition.

26,030. (*Chairman.*) Now, take the clerks on the establishment of the Foreign Office: they come in, do they not, by limited competition upon nomination by the Secretary of State and a special examination?—That is the case with the diplomatic establishment and the supplementary establishment.

26,031. The examination is conducted by the Civil Service Commissioners, I presume?—Yes.

26,032. (*Mr. Hanbury.*) Then there is no limited competition for the lower division clerks?—No, they come to the Foreign Office exactly as they go to any other office.

26,033. (*Mr. Harvey.*) Do you apply to the Civil Service Commissioners for them?—I think so.

26,034. Is there any nomination for a lower division clerk in the Foreign Office?—None.

26,035. Then you simply apply to the Civil Service Commissioners just as any other Government office does?—Exactly in the same way.

26,036. (*Mr. Lawson.*) As a matter of fact, are not separate lists of nominees kept to what you call the diplomatic establishment and to the supplementary establishment?—Yes.

26,037. (*Mr. Freeman-Mitford.*) In all these questions of establishment are we not now examining you upon matters which belong rather to the office of the chief clerk of the Foreign Office than to yourself?—He is much more conversant with them than I am.

26,038. Your business lies in another direction, does it not—more in the political working of the establishment as given to you?—Certainly; I have less to do with these questions.

26,039. (*Chairman.*) I presume all the different branches of the Foreign Office come directly under you?—Certainly they do, only I am, perhaps, not quite so conversant with these questions as the chief clerk who has been occupied with them for a great many years. I have only been Permanent Under-Secretary for a very short time.

26,040. (*Mr. Freeman-Mitford.*) The chief clerk's special duty is to deal with these questions, is it not?—He has other things.

26,041. (*Chairman.*) We will now deal with the way in which the work of the Foreign Office is done. Do I understand that the political departments have each got their own head in the person of a senior clerk?—Yes.

26,042. Is the head of each department directly responsible to the Secretary of State?—The head of the department is responsible primarily to the Under-Secretary.

26,043. Are all the departments independent of each other?—Yes The departments are divided between the under-secretaries.

26,044. Of whom there are how many?—The Permanent Under-Secretary, the Parliamentary Under-Secretary, and two Assistant Under-Secretaries. The Parliamentary Under-Secretary takes the commercial department, and the other departments are divided between the Permanent Under-Secretary and the two Assistant Under-Secretaries.

26,045. (*Mr. Lawson.*) In what way are they divided?—I take the chief clerk's department, the librarian's department, a portion of the African department, a portion of the western, and the whole of the eastern department; Sir Villiers Lister takes the consular department and a certain portion of the African and western departments; Sir T. Sanderson takes the American and treaty departments.

26,046. I see that when Sir Julian Pauncefote was at the Foreign Office, he is put down as taking five out of seven departments?—We divide the work according to convenience. Sir Julian Pauncefote took only portions of the political departments.

26,047. (*Chairman.*) Will you now explain what the library department does?—The librarian has the custody of the papers. He is referred to for memoranda on all but current questions; all questions which go back a certain time are referred to him.

26,048. (*Mr. Freeman-Mitford.*) When you say he has the custody of the papers, you mean, I presume, the custody of the papers beyond the two current years?—

Sir P. W. Currie, K.C.B.

12 Nov. 1889.

Yes; the two current year's papers remain in the departments—after that the papers go into the library.

26,049. (*Chairman.*) Are not there a great many memoranda upon current political and diplomatic questions prepared in the librarian's department?—The memoranda on current papers are prepared in the special departments, but those memoranda which require reference to past papers are prepared in the librarian's department.

26,050. Supposing there was a question which involved precedents contained in papers of two or three years ago, would the librarian's department be solely responsible for the preparation of the memorandum dealing with such a question as that?—The memoranda are sometimes prepared in the department, and sometimes by the librarian.

26,051. Take your own departments, the eastern and western, how is the line drawn between the work done in those departments and the work done in the librarian's department?—The rule is that the librarian would only prepare memoranda on papers of a certain age. For instance, memoranda relating to the two current years, the papers for which are in the department, would be prepared in the departments; beyond that date they might be prepared by the librarian, but they are sometimes prepared in the department. It is occasionally a matter of arrangement between the head of the department and the librarian as to who should prepare them.

26,052. Do the papers all come to you or to the head of another department first, and then you minute them or he minutes them, to be dealt with by the librarian or otherwise according to circumstances?—Yes. If it was a question requiring reference to treaties and matters of that sort, I should generally refer it to the librarian. We happen to have in Sir Edward Hertslet a very exceptional man, who is wonderfully conversant with every treaty and every past question.

26,053. Is the registration of each department part of the librarian's work?—Not of the department. The current diary is kept in each department by one of the clerks. At the end of two years, when the papers are handed over, the department diary is handed over also, and the librarian's department then make a diary of their own from it and eventually an index under subjects.

26,054. When a paper comes into the Foreign Office in the morning, is there not one registry for the whole Foreign Office?—No, each department has its own register.

26,055. Do you think that a convenient method?—I think it is very convenient. I think any other system would cause great delay. The peculiarity of the Foreign Office is that, as a rule, the greater part of the business is required to be done with speed. If what I believe is the case in other offices where there is a general registry, and a paper goes in and takes about 24 hours before it comes out again, were applied to the Foreign Office, I do not think that would suit us at all.

26,056. (*Mr. Harvey.*) Have you in the eastern department a register which is distinct from that in the western, and from that in the American?—Certainly, each department has its own register, in which every paper is entered as it comes in.

26,057. (*Mr. Lawson.*) Yet those departments are reconstituted from time to time; for instance, I see there was a reorganisation in 1881, when they were altered entirely?—Yes, and then they had to alter their registers.

26,058. They had to alter their registers then?—Each department has a new register every year, and each register is divided into the countries dealt with in each particular department.

26,059. For the purposes of reference, is not that rather awkward; when those departments are themselves varying, would it not be difficult to know exactly which department to refer to?—I do not think there is any inconvenience in it. At the beginning of the year the register is divided according to the countries dealt with in the department. Where departments have been altered, if you want to refer back two or three years, of course you may find the subject dealt with in the register of another department, but by that time the registers would have been taken to the library, and, therefore, it is of no consequence, as all the registers after two years are in the library.

26,060. Then you find no practical difficulty?—We have never found any whatever, and I think for speed it is a very convenient system. I think it makes the men in each department much more conversant with the papers than they otherwise would be, because when they register the papers they have an opportunity of seeing them.

26,061. (*Chairman.*) In each department is there one clerk who specially attends to the register?—Generally one man is told off to do it, but it is not done exclusively by him. This work is done by junior clerks.

26,062. Have the Foreign Office ever considered the question whether it would not be desirable to have one registry for the whole office?—Yes, we have considered it. I think the universal opinion has been that it would not suit our arrangements nearly so well as the present method. Now the official despatches are opened by the resident clerk, and sent into the department, where they are registered. The head of the department reads and minutes them, and sends them on to the Under-Secretary; the Under-Secretary then deals with them and sends them on, when necessary, to the Secretary of State; they then come back to the department, where they are immediately acted upon.

26,063. You say opened by the resident clerks; are there always clerks resident there?—There are four resident clerks who have rooms in the Foreign Office, and who have to decipher all telegrams that come in in the night, and to open the letters in the morning.

26,064. But what time are the despatches and the various communications for any particular department ready to be dealt with by the head of the department?—About the time he arrives.

26,065. I think you say in your return that the office hours begin at 12 o'clock?—The office hours are from 12 to 6.

26,066. (*Mr. Lawson.*) With regard to the resident clerks, may I ask from which class they are chosen?—The appointment is generally offered according to seniority to any man who likes to volunteer for it; it has been held by a senior clerk.

26,067. (*Mr. Harvey.*) When you came this morning did you find all the letters and papers that came by this morning's post on your table; had all those which naturally come to you been registered ready for you by 12 o'clock?—The papers that came in this morning would not have been registered.

26,068. Then what would be the latest paper that you would get this morning at 12 o'clock?—I should find all the telegrams; in fact, I generally receive the telegrams at my house. Directly I reach the Foreign Office probably the head of the department comes in and brings me anything of importance that there is.

26,069. In yesterday's papers?—No, in the papers that came this morning.

26,070. (*Mr. Cleghorn.*) Does he judge as to the urgency of the papers?—Certainly he does, he is responsible for that. For instance, before I came away just now, the head of the eastern department came in and brought to me some papers which arrived this morning, and said he thought they required immediate attention; naturally I looked at them and said what was to be done with them.

26,071. (*Mr. Lawson.*) That is in the department of which you practically take the command?—Yes; that would apply to the heads of the eastern and western departments.

26,072. But not to the others?—Not to the others unless in special cases. Of course if there is anything special they would come to me.

26,073. (*Mr. Hanbury.*) I did not quite gather what was the position of these resident clerks who seem to have very responsible duties, such as deciphering telegrams and opening letters?—The resident clerks belong to the diplomatic establishment of the Foreign Office invariably. They are included in the 36 "clerks" on the establishment." Of course they occupy a very responsible and confidential position. I held the position myself for 16 years. During that time a good many secrets and matters of great importance naturally passed through my hands. That is one reason why we think it necessary in the Foreign Office to restrict the confidential work to these men who are on the diplomatic establishment. No doubt people in other positions may keep secrets quite as well; but these are men whom we know, we know all about them, they have been nominated and their families are probably

more or less known. We know their habits and we can thoroughly and entirely trust them in every way.

26,074. These four men, as I understand, decipher all telegrams and open all letters, and nobody else does anything of that kind?—In the night.

26,075. What happens in the morning?—In the morning the letters that come to me are opened by my private secretary.

26,076. Who opens the letters that come to the Foreign Office generally?—My private secretary opens the greater part of them.

26,077. I want to know what is the rule; who are the people set apart to open these important letters coming to the Foreign Office?—During office hours all the letters are opened by my private secretary, and he distributes them to the departments.

26,078. Do you know what happens in other branches?—When I am away, they go to the under-secretary who is in charge, and he generally, not having a private secretary, employs one of the clerks to open the letters.

26,079. What I want to get at is this: there is caution exercised evidently during the night as to the people in whose hands these letters and telegrams shall fall; are the same precautions exercised with regard to the telegrams and letters arriving by day?—Certainly; the telegrams and letters arriving by day are opened either by the Under-Secretaries themselves or by their private secretaries.

26,080. The whole of them?—The whole of them.

26,081. (*Mr. Lawson.*) I understand that no supplementary clerk would ever become a resident clerk?—No.

26,082. Although the supplementary clerks are nominated as well as the others?—Yes.

26,083. As I understand, both classes are nominated by the Secretary of State?—Yes.

26,084. Therefore the Secretary of State may know all about the supplementary clerks and their families, as well as the clerks on the establishment and their families?—He may.

26,085. (*Chairman.*) As I understand, at the Foreign Office the clerks you have mentioned are supplemented by newly-appointed attachés?—Yes.

26,086. And by consuls to some extent, are they not?—By consuls in the consular department only.

26,087. Is there any fixed time during which a newly-appointed consul has to serve in the consular department?—Sometimes it is very inconvenient for him to come, as he may have to go to his post at once. The general rule is that he should go to the consular department for six months.

26,088. What is the rule with reference to attachés?—The rule with reference to attachés is six months; but then sometimes a man is not kept so long, sometimes he is kept longer; it is a matter of convenience.

26,089. The rule is that every attaché should work six months in the office?—Yes.

26,090. (*Mr. Lawson.*) Where are these attachés employed in the office, and what sort of work do they perform?—They work in the political departments, and they do the same work that the junior clerks do.

26,091. (*Mr. Freeman-Mitford.*) In fact, they are trained in the work which they will have to perform when they go to their various legations and embassies?—Yes; it is the same work, practically, that is done in the legations and embassies, and the experience, of course, is of great use to them. They get habits of business from working in the office, and learn how the work has to be done.

26,092. (*Mr. Hanbury.*) Take a man, for instance, who is going out to Constantinople; is he put to the eastern division?—It is not always settled until a man has completed his term in the office what post he will go to.

26,093. Is the work that he does during the six months he is at the office, work which specially trains him for the particular post to which he is going to be sent?—Not necessarily for the particular post, but it does train him, he learns the mode in which the business of the Foreign Office is conducted.

26,094. (*Mr. Freeman-Mitford.*) He gets, in fact, a general training?—Yes.

26,095. (*Mr. Lawson.*) The object being, I suppose, to give him an insight into the work of the Foreign Office rather than to fit him for his work abroad?—Into the way in which the Foreign Office work is done.

26,096. (*Mr. Cleghorn.*) I suppose the work is principally clerical?—It is principally clerical work on which an attaché in the office is engaged.

26,097-8. (*Mr. Lawson.*) Copying?—Copying, and sometimes making memoranda; sometimes, perhaps, writing drafts of minor importance.

26,099. (*Mr. Freeman-Mitford.*) Does he do précis writing?—Yes.

26,100. (*Mr. Lawson.*) Is it a fact that he does anything higher than copying?—Yes, I should say very much so if he shows aptitude for it.

26,101. (*Chairman.*) When men have been attachés, do you often have them back again on to the staff of the Foreign Office?—Frequently.

26,102. Is it an increasing practice?—When we are very busy, and have not got hands enough in the Foreign Office, we are very anxious to get attachés. We find many of them volunteer. They are anxious, for private reasons, to be in London, and if we want them we allow them to come. Sometimes they exchange with clerks in the Foreign Office.

26,103. (*Mr. Lawson.*) Are you still speaking of attachés?—Yes, I called them attachés, they are really secretaries in the diplomatic service. There is a system of exchanges which, of course, have to be sanctioned by the Secretary of State. A clerk in the Foreign Office and a secretary in the diplomatic service may arrange an exchange, and carry it out, with the sanction of the Secretary of State.

26,104. On what terms?—On the terms that each man takes the place of the other in the service for the time being.

26,105. At the same salary?—They keep their own salaries.

26,106. (*Mr. Hanbury.*) Do you mean for the time being as a temporary arrangement, or as a permanent one?—As a temporary arrangement. A man may exchange for one year or two years, to suit his convenience.

26,107. (*Mr. Lawson.*) Is that in practice constantly done?—It is tolerably frequently done. It is not done to any great extent at one time, because we should find it would rather disturb the business of the office. We are, however, very glad to get one or two secretaries in this way, as we think it does them good, and on the other hand, we are very glad to send our own men abroad, because they then learn the business of the foreign legations, and are more useful to us when they come back.

26,108. (*Mr. Fowler.*) If I understand you correctly, the Foreign Office staff is practically divided into three classes; first, the clerks on the establishment; secondly, the supplementary clerks; and, thirdly, the lower division?—That is so.

26,109. The clerks of the establishment are regarded by you, are they not, as part of the diplomatic service rather than as part of the clerical service?—They are clerks in the Foreign Office, but they are employed on diplomatic work, and we consider them as belonging to the diplomatic establishment. They are the men who are allowed to exchange abroad with the secretaries, and they are attached to special missions. At this moment we have got one at the conference at Washington, and one at the conference at Brussels.

26,110. They are members of the diplomatic staff, as it were?—I think you may say that. They are not members of the diplomatic service, because the two services are kept distinct, but the work on which they are employed is practically the same as that on which the members of the diplomatic service are employed.

26,111. Therefore in that respect, the Foreign Office is to be distinguished from every other office; there would be no similar class of men in any other office, would there?—No, certainly not.

26,112. Would you justify the retention of that separate class upon political and diplomatic grounds?—Certainly. I do not think we could satisfactorily conduct the business of our office with any other class of men. We want men who can meet, for instance, the diplomatic corps here on equal terms, men who have got a certain position in the world. I think it is very important we should have men of that class.

Sir P. W. Currie, K.C.B.

12 Nov. 1889.

26,113. This class of clerks, I see, is sub-divided into four classes; senior clerks, assistant clerks, first-class junior clerks, and second-class junior clerks. What is the rationale of that division into four sections?—The senior clerks are responsible heads of departments; the assistant clerks come next in rank and take the work when the senior clerk is away, and therefore during his absence are responsible for the work of the department. The junior clerks, I believe, correspond with the regular class now in all offices under the reformed system. The four junior clerks, who I think are peculiar to us, were insisted upon by the Treasury, in order to keep the expense of our office down to a certain point; on re-organisation, there was a certain fixed sum which could not be exceeded, and excess was avoided by keeping our four clerks at that lower standard of 100*l.*, rising to 200*l.*

26,114. Then that is really a Treasury arrangement?—The Treasury insisted on that.

26,115. As I understand it, the work of the first-class junior clerks corresponds to the work of what have been called the upper division clerks in the other branches of the Service, but whom we are now proposing to class as first-class clerks?—Exactly.

26,116. The clerks above them are a separate class altogether, specially trained, and, as I understand, you consider their preservation necessary for the public service?—The class above them are the senior clerks, and the assistant clerks.

26,117. They are the heads of departments?—They are all promoted from the class to which you alluded just now.

26,118. Inside these 36 clerks is the promotion entirely by seniority?—No. Perhaps I had better read to you Lord Granville's Minute at the time of the re-organisation. The minute is dated November 23rd, 1882:—"The recent re-organisation of the Foreign "Office having reduced the number of senior clerks, "and thereby increased the importance of their duties, "Lord Granville takes the opportunity of the "present redistribution of the work of the office, to "renew the intimation respecting promotion, given in "the minute of the 7th April 1881, and to add, that "as regards senior clerks, they will in future be "selected solely with a view to the interests of the "public service, and to the promotion of those who "have shown themselves best fitted for the position." I understand by that, that we are bound to select the best man when a department is vacant.

26,119. And you do so?—Certainly.

26,120. (*Mr. Lawson.*) Without reference to seniority?—Yes.

26,121. (*Mr. Fowler.*) That does not apply to the assistants, does it?—That does not apply in the same degree to the assistants. We should certainly pass over a man if we thought him incompetent, and we have done that.

26,122. (*Mr. Freeman-Mitford.*) You say you have done so?—It has been done; but I do not think it would be quite fair to begin selection so low down as that—I mean selection distinct from passing over an incompetent man—I look upon those as quite distinct things.

26,123. (*Mr. Fowler.*) As I understand, the five senior clerkships now depend entirely upon competence?—Entirely.

26,124. And are given away on the principle of selection?—Certainly.

26,125. The appointment to the assistant clerkships, the Secretary of State, as I understand, reserves to himself, to deal with as he thinks proper?—Yes.

26,126. But in promotion to the assistant clerkships you would let a man go forward, unless he was incompetent?—Certainly, I should.

26,127. I presume the other 20 clerks rise absolutely automatically?—Once in that class they would rise automatically.

26,128. As I understand, there is an examination for these 36 clerkships?—There is a competitive examination. Generally eight or ten nominee candidates are selected for each vacancy for examination by the Civil Service Commission.

26,129. (*Mr. Lawson.*) How are those names selected?—They are taken from the list of the Secretary of State.

26,130. Then after the first nomination to the list, is there a second nomination to the actual examination list?—There is no nomination to the list Any man who writes asking the Secretary of State for a nomination for his son has his name put on the list. Then when there is a vacancy, the Secretary of State's private secretary prepares a list and submits it to the Secretary of State, who chooses from that list the persons whom he nominates for the vacancy, and he generally nominates from eight to ten for each vacancy.

26,131. The supplementary clerks are appointed in the same way, but I suppose they have not so severe an examination?—That is so. I have explained the system in each department.

26,132. I presume that in an examination for the establishment a knowledge of foreign languages is absolutely essential?—A knowledge of French and German is obligatory, other foreign languages are optional. The difficulty of an examination like that depends upon the standard of education of the men who go up for it. The Foreign Office examination perhaps would not appear on the face of it, if you look at the subjects, to be so very difficult; but it is made extremely difficult by this fact that a great many people being more or less sure that they will be able to get nominations for their sons, train them up for the Foreign Office from a very early time, they are specially trained for it, and consequently the examination is an extraordinarily hard one.

26,133. Where there is open competition there is a sort of average standard obtained; but where there is a nominated list the standard must vary from time to time, and therefore the examination must be less or more difficult according to the list of names sent up?—According to the men who go up; but I think it is shown that our examination is a tolerably severe and good one, by the fact that the Treasury have filled up two of their vacancies from the Foreign Office. Mr. Murray and Mr. Mallet, clerks who got into the Foreign Office under limited competition, have been appointed Treasury clerks without any further examination. I believe our system of examination really to be a more stringent and severe test than the other, because the men who go up have been specially prepared for the examination.

26,134. (*Mr. Harvey.*) You think that the competition of men, all of whom are to a certain extent prepared, results in the competition being sterner than in a nominally severer competition extending over a much wider area?—I think so.

26,135. (*Mr. Freeman-Mitford.*) The examination consists in simple subjects extraordinarily well done, in fact?—That is what it is.

26,136. (*Mr. Lawson.*) Would you say that the standard is higher in the Foreign Office examination than in the examination for the first division for the rest of the Civil Service?—I believe it is.

26,137. (*Mr. Fowler*). I think you have a type-writer on the staff?—Yes, a lady.

26,138. Will you tell us how that works?—Extremely well, she type-writes admirably.

26,139. For what purpose do you use the type-writing, pure copying, dictation, or what?—Pure copying.

26,140. Do you find it a saving of labour?—Yes, we do find it a very considerable saving, and I think we shall be able to increase the system.

26,141. Do you know what salary you pay?—I rather think she gets 1*l.* a week, but the chief clerk will tell you that; she is under his special supervision.

26,142. Several of the staff I see have got appointments as private secretaries to the Secretary of State and to the Under-Secretaries?—Four of them; two to the Secretary of State, one to myself, and one to Sir James Fergusson.

26,143. I do not quite understand the estimates. I find put down in the estimates a private secretary to the Prime Minister, an assistant private secretary to the Prime Minister, a private secretary to the Secretary of State, and a précis writer to the Secretary of State?—The private secretaries to the Prime Minister have nothing to do with the Foreign Office.

26,144. They come under the Foreign Office vote. I want to know how out of the Foreign Office vote 650*l.* a year is paid for what ought to be a Treasury vote?—I was not aware of the arrangement.

26,145. Does it really represent four men or two men?—Four men. The Prime Minister has two private secretaries, who have no connection with the Foreign Office, although they have a room at the Foreign Office and do their work there.

26,146. They are not on your staff?—No, they have nothing to do with the Foreign Office work.

26,147. Altogether Lord Salisbury appears to have 1,250*l.* a year for private secretaries?—The Prime Minister always has private secretaries, and the amount charged represents their pay as well as that of the foreign minister's private secretaries. Why it is charged to the ForeignOffice vote I am unable to say. The chief clerk will be able to deal with that.

26,148. Then you say that the hours of work are from 12 to 6, nominally. What is the meaning of the word "nominally"?—"Nominally" means that the men do not go punctually at 6 if there is anything for them to do. We expect them to remain as long as they are wanted.

26,149. Does the "nominally" apply to their coming at 12?—No, the departments are all open at 12.

26,150. And the men are expected to be there at 12?—Certainly they are.

26,151. Is there any regulation in force at the Foreign Office as to the hours?—Yes, the hours are from 12 to 6.

26,152. I mean to see that the men keep those hours?—Not farther than that the head of the department is responsible for seeing that his men attend.

26,153. Would you expect him to report to you if they did not?—If any man was very slack in his attendance I certainly should.

26,154. "The yearly allowance of leave is two months," you say in the memorandum. Does that apply to the whole of the supplementary clerks and to the establishment?—Yes, that applies to everybody in the office, except the lower division clerks.

26,155. They have a month?—Yes.

26,156. (*Mr. Maclure.*) I want to ask you about the librarian's department. It sounds to me a very heavy one, costing, as it does, more than 4,800*l.*?—The librarian's department has been largely increased lately, in consequence of the indexing having fallen into arrear. I think it possible that some reductions might be effected. Now that we have introduced lower division clerks, I think we might probably introduce more, and so reduce the cost of the permanent staff, but that will be a matter rather for experience.

26,157. From what you said just now the probabilities are that you will get the whole of your indexing very shortly into the most perfect order, and then you will be able to make some considerable reductions in that department?—We shall certainly be able to get rid of these 10 extra clerks, who were only taken on to work up the arrears. It was calculated that those arrears would be overtaken within five years. I got a return from the librarian two days ago, saying that they have done more than was expected, so I hope the work will be done in less than five years. Then those 10 men will be dismissed, as they were merely taken on for the job; and the four lower division clerks whom we have got ought to be able to keep the index up to the proper date. It ought not to be more than about five years in arrear, I think.

26,158. (*Mr. Lawson.*) May I ask whether the librarian and keeper of papers is a member of your diplomatic establishment?—As a matter of fact, the appointment has become rather hereditary. Sir E. Hertslet and his father have been librarians, and his uncle sub-librarian, and they have shown an extraordinary aptitude and capacity for the work. There is no rule on the subject, and we shall take the best librarian we can get when we have the misfortune to lose our present one.

26,159. From what class inside the office do you take the librarian? What has been the practice in filling up the post which those three gentleman have occupied?—The present librarian was trained in the librarian's department under his father.

26,160. Did he enter as an established clerk?—Yes, but not on the diplomatic establishment.

26,161. In the event of the post being vacant, would it be open to you to choose the librarian from any class in the office—I do not say would you be obliged to choose from the clerks in the office, but would you be able to do so?—I consider it would be open to the Secretary of State to appoint any person whom he considered fit for the post.

26,162. From the outside or from the inside?—Yes.

26,163. Without examination?—That would be a question to be arranged with the Civil Service Commissioners.

26,164. Is it a place open, not only to every class within the office, but to the outside world?—I think the Secretary of State has the power to fill it up either from the office or from outside. What I think he ought to do would be to select the person best fitted, whether he belonged to the office or not.

26,165. I suppose it is a place for which official training counts a good deal?—It does; and of course that would be a question to be considered. This matter has been very much discussed at times.

26,166. Would it not in practice work well if it were regarded as a staff office, open not only to the supplementary clerks, but to the meritorious clerks of any class?—I consider it to be open to any person whom the Secretary of State chooses to appoint to it.

26,167. Not confined to the office or to the Civil Service?—I should not confine it to any class at all.

26,168. Not confined to the Civil Service, I mean—that is the point?—I do not think it is necessarily confined to the Civil Service. I think we must try and get the fittest man we can whenever the post becomes vacant.

26,169. Do the same observations apply to the post of sub-librarian?—I think the sub-librarian should be chosen from the men in the librarian's department.

26,170. Would the choice for the office be made by seniority?—Seniority, tempered by regard to competency. I would give the same answer with regard to that as I gave with regard to the assistants in the other departments.

26,171. I understood you to say that all the supplementary clerks were nominated by the Secretary of State, and that you consider nomination a very valuable guarantee of fitness of character. In what respect would you say that they differ from the established clerks?—I think, with regard to the non-political departments, we might accept the idea that has been laid down in the Treasury Minute for the Civil Service—when I say accept, I know, of course, we must accept it for everything if it is made arbitrary; but my opinion would be that in the non-political departments you might fairly substitute lower division clerks for a considerable number of the present appointments.

26,172. Is that being done at the present time?—It has been done in the library, where we have four lower division clerks.

26,173. And are they taking places formerly occupied by the class known as supplementary?—I do not think there has yet been any corresponding reduction, but I think that there may be.

26,174 "May be" is a little vague; might I ask whether there is any attempt being made to effect it?—I should certainly be inclined to propose something of the kind when there are vacancies.

26,175. I understand these lower division clerks are clerks appointed for additional work?—They are additional clerks appointed in order to keep up the indexing, which it was found impossible, with the existing staff, to keep up to date.

26,176. As a matter of practice, is there any work done by supplementary clerks that could not be performed by lower division clerks?—None, I think, of that done by the junior supplementary clerks.

26,177. We have had evidence from other departments that the work of supervision is very effectively done by lower division clerks?—That is a matter of which I have no experience.

26,178. Are you inclined to think it might be so?—My idea is that the non-political departments might be principally manned by lower division clerks, superintended by clerks of the class who now exist in the departments.

26,179. Do I understand you to say that some of those who failed in the examination for the established clerks have come in as supplementaries?—They have

Sir W. Currie, K.C.B.

17 Nov. 1889.

competed, I think; but, really, that is not a question I could answer off-hand.

26,180. Why is it the case that where you have got the guarantee of this nomination which you attach so much importance to, they have not been allowed to do the confidential work of the office, if they prove themselves fit for it?—The fact is that there are in the office certain departments where the work is confidential, and there are some where the work is not confidential, consequently, the system has grown up of having a certain class of clerks for the confidential departments, and another class for the non-confidential departments; the pay of the latter is not so high, and their functions are not so important.

26,181. I understand you to say that you think for that class of work which a Foreign Office clerk has to do, you want a man of a certain status in life, and yet the same clerks, in some cases, compete for the two branches; should there be any distinction made with regard to the class of work?—I think what I said was that there was a case in which a clerk in the supplementary class who had proved himself to be a very competent and very reliable person, did obtain a nomination to compete for the diplomatic establishment. He was very anxious to be transferred to it, but it was settled he could not be transferred, and that the only way in which he could obtain admission to it was by competition. The Secretary of State, in recognition of his services, gave him a nomination, but he declined to go up.

26,182. Have you ever had clerks transferred from the first division of other offices into your own?—Never.

26,183. From what you know of the Civil Service, do you believe that those who have entered on the examination for the upper division would be unfit to perform their work satisfactorily?—If we could do like the Treasury, and choose the best men out of the other offices, I should be delighted with the system; but if we are to take the men who are turned out of other offices for being unfit, I should be very sorry to have them.

26,184. I was not contemplating that; I was rather looking at the man who has come in by this very difficult examination, and who is fully qualified to do the work of an upper division clerk in the office of a Secretary of State, would you be willing to take him?—I should not like to take him unless I had an opportunity of inquiring what his capabilities were. I would prefer to take the men as we do now, by limited competition.

26,185. We may take it as a matter of fact that the Secretary of State cannot know much of a clerk personally, except as to his birth, connections, and matters of that kind. Have you any means of gauging the character of one of these clerks better than the Civil Service Commissioners have at their examination, and by their papers?—It is the business of the private secretary to make inquiries about the men whose names are on the Secretary of State's list. I was private secretary myself for two years, and I always took pains to inquire as to the characters and antecedents and fitness of the men. When I brought their names before the Secretary of State, I told him what I knew about them, and he naturally chose those who seemed most fit.

26,186. What is the average age at which they come up for examination?—The limit of age, I think, is 18 to 24, and the average, I should say, is from 18 to 22; they come very young sometimes.

26,187. Do you think that you have any means of testing their characters before they enter your office?—If I knew the character that a boy who had been at a public school had among his friends, I should say, eminently so.

26,188. Then, would you limit it practically to public school men?—No; I do not limit it. I said "if."

26,189. Then you do not think that this system of nomination, as opposed to open competition, can be relaxed in any way?—I think there are very strong reasons against opening the Foreign Office to open competition, and the strongest to my mind is that there, no doubt, is information in the Foreign Office which is valuable, and which people might make considerable efforts to obtain. I think it would be quite possible, if you had open competition, that foreign governments, or perhaps people engaged in large financial operations, might train up men or send up young men for examination, and keep them in their pay.

26,190. I suppose you would not say that the Foreign Office service involves a clerk in any greater expenditure than service in any other office of State?—Certainly not.

26,191. Therefore you do not think that it is necessary to put any condition as to private means?—Not in the Foreign Office, but I do in the diplomatic service.

26,192. I am not dealing with the diplomatic service, but with the Foreign Office?—Certainly not with regard to the Foreign Office.

26,193. Therefore it is simply on the score of character that you think this system of nomination is valuable?—I do not think that it is affected by the question of private means.

26,194. The men that you have on your list may not be better off in point of worldly goods than those who enter other offices?—I think that most clerks in the Foreign Office are, as a rule, moderately off. There are some men there who have private fortunes, but I should not say so as a rule.

26,195. (*Mr. Harvey.*) Would not the fact that transfer is possible between the diplomatic service and the Foreign Office clerkships affect your answer there?—We never make transfers compulsory, and no man in the Foreign Office would accept a transfer unless his means allowed him to live abroad. I have, however, known a case in which a man asked to be transferred from the Foreign Office, because his means were not sufficient to enable him to live in London; he was a married man. I pointed out to him that I thought it was cheaper to live in London, but he said he had tried it, and he thought not.

26,196. (*Mr. Lawson.*) Then really it is the same with the Foreign Office clerk as it would be with the average clerk in any other office; his means, so far as you know, are not any greater, and therefore pecuniary temptation to wrong doing would be the same?—Do you mean the temptation to be bribed?

26,197. You referred just now in this connexion to foreign powers?—Excuse me, that is not what I meant. What I meant was that foreign powers, or persons interested in large financial operations, might place a man in the Foreign Office.

26,198. With regard to financial operations, that is possible certainly in two or three other offices into which we have inquired?—Of course I do not know what important information there may be in other offices, I can only answer for my own. I know that in the Foreign Office there is information occasionally, I will not say very often, which is very valuable, and which some people in the city would give a good deal for. If I thought they could place a man in the Foreign Office, I should feel very uncomfortable at having him there, and, if open competition were adopted, there would be no earthly way of keeping him out if he presented himself before the Civil Service Commissioners, and he was a man of good health and good character in other respects. He would be sent to the Foreign Office, and there he would remain, and we should never be able to get rid of him.

26,199. Would not you admit, that the contingency you represent is a remote one?—I do not think it remote at all.

26,200. Is not it rather the case, that the private secretary for the time being to the Secretary of State, as a matter of practice, would merely have regard to the family of the person whose name appears on the first list of nominees, and that the Secretary of State himself would not have any real control?—I look upon the Secretary of State's private secretary as his *alter ego*. When I was private secretary I took a great deal of trouble to inquire about the men who were on the list.

26,201. Yes, but you cannot surely tell from the character of a boy of 18, what you can expect from a mature clerk?—I think if you know a good deal about a man's family, you may say that you know a good deal about him.

26,202. Do you find that the absolute bar to promotion to a large part of the office has a prejudicial effect upon the work of the supplementary clerks?—Not the least. Those men are appointed with a perfect knowledge of what they have to look forward to, and I have never heard any complaints from them or any expectation of promotion on their part.

26,203. Do you think you get the best work you can out of them?—I think that we get very good work from them.

26,204. If it is mere mechanical work, there is no reason, surely, why it should not be done by a class of men at a lower rate of pay?—It is not merely mechanical work; for instance, in the chief clerk's department there are men who have a good deal of very important financial business to look after. You would not call that purely mechanical work, I suppose: purely mechanical work means merely adding up figures or copying.

26,205. Copying or indexing work?—They have, I should say, work similar to that in other offices, but it is not work of the confidential character that is done in our political departments.

26,206. The superintendent and the assistant in the Treaty Department are, I take it, men who have been clerks on the establishment?—The superintendent was taken from the diplomatic establishment.

26,207. What class was the assistant drawn from?—The assistant belonged to the supplementary clerks.

26,208. As a matter of fact the clerks of the lower division are rather a recent innovation, do you think that they will prove satisfactorily without any means of promoting or advancing them?—I have no experience gained from the men themselves, but I think that one's knowledge of human nature leads one to think that men to whom promotion is absolutely barred, are not likely to continue permanently very useful members of any service.

26,209. (*Mr. Hanbury.*) You say that the librarian can be appointed at the mere choice of the Secretary of State, without any limit upon his choice. What other offices are there in the Foreign Office that he can similarly appoint to?—The under secretaries and the legal assistant; in fact, in regard to the staff appointments, I do not consider that his power is limited.

26,210. In your opinion, with regard to all staff appointments, can the Secretary of State choose either from inside the office or from outside?—I should think he could.

26,211. From inside the Civil Service generally, or from outside it altogether?—The latter has been on several occasions done.

26,212. Is that the practice of the Foreign Office?—It has been done. For instance, an assistant undersecretaryship was given to the late Lord Ampthill; he was in the diplomatic service, not in the Foreign Office. Sir Julian Pauncefote is another instance.

26,213. Going down below the under secretaryships, what staff appointments would there be outside that could be appointed to by the Secretary of State?—There is the legal assistant.

26,214. Those he can choose from the outside if he likes?—The legal assistant naturally must come from the outside.

26,215. Do you know what qualification there is?—I suppose the man must be a qualified lawyer, and well recommended for the place. Perhaps I might here say that I look upon the librarian's department as a post demanding special qualifications, and that if there was no man in the office who was fit for it, I should certainly consider that the Secretary of State had a perfect right to go outside, and would be perfectly justified in going outside to find a man who could perform the very important duties required.

26,216. My question is, how many other offices are there in the Foreign Office which the Secretary of State can similarly fill up from the outside, without any control over his choice?—I should say the staff appointments.

26,217. Going to the question of nomination. Do you know how far that system prevails in other foreign offices; for instance, how men are appointed to the German Foreign Office, the French Foreign Office, and the Russian Foreign Office?—I have no doubt that they are appointed solely by the nomination of the minister.

26,218. Does a nomination precede examination in France?—I will endeavour to obtain that information.

26,219. I understand that in the first three departments, the Eastern, the Western, and the American, there are positively no lower division clerks at all?—That is so.

26,220. And that in the whole office the proportion of clerks of the upper establishments, as I will call it, to lower division clerks, is about three to one; the numbers being, 36 clerks on the establishment, 16 supplementary, and 17 lower division clerks, or 52 to 17?—Yes.

26,221. You mentioned 10 clerks who are employed temporarily; but I am not quite sure whether those are lower division clerks or not?—They are not lower division clerks, simply because there was not a sufficient number of lower division clerks to spare.

26,222. Then they are not included in the 17?—No.

26,223. How are the clerks assigned to these different departments; is it a matter of their own choice, or are they put into a particular department by the Secretary of State?—That is done by the under secretary; that is my business.

26,224. On what principle do you appoint them to these separate departments?—I appoint men that I think fit for the different departments where they are wanted.

26,225. You mean men who you think have shown special qualifications for those departments?—I take the list of the men, and naturally I consider where assistance is most wanted.

26,226. (*Mr. Freeman-Mitford.*) But a youngster coming into the Foreign Office has not yet shown any special qualifications?—A youngster is put where he is wanted.

26,227. (*Mr. Hanbury.*) Is there any special qualification of languages, or anything else, for any particular department?—No, certainly not.

26,228. Then it is just a chance to which department a man is sent. Can you tell me what are the numbers in each of these departments?—Seven or eight, more or less.

26,229. The department I want to know most about is the commercial; is that one of the larger departments or one of the smaller?—That is a large department, but it is rather a mixed department; it has some clerks on the diplomatic establishment, it has one on what we call the supplementary establishment, and it has two lower division clerks.

26,230. Do you know whether, as compared with the commercial departments of the foreign offices of France and Germany, it is larger or smaller than theirs?—In the French commercial department there are one sous-directeur, two rédacteurs, two attachés payés, seven attachés autorisés, one commis de chancellerie, and one expéditionnaire.

26,231. We do not know how many men we have got in our own commercial department; there is nothing to show it; the documents we have show the supplementary clerks and the lower division, but not the clerks on the establishment?—We have four clerks on the establishment, one supplementary clerk and two lower division clerks. The number varies according as we have clerks available for the purpose. Just now, the commercial department being rather easy, I have taken a man from it and given him to another department which was pressed.

26,232. "Being rather easy," why. Is there less work being put upon it, or what?—At some particular moments there are not any questions of a very pressing nature, and naturally we have to shift our men about as they are wanted.

26,233. Is the commercial department of the Foreign Office a department that is increasing in importance or the reverse?—I should say it is maintaining its importance; but that would not affect the question of whether at any particular moment there happened to be a press of work. If a treaty were being negotiated or a tariff revised, or some business of that kind, there might be considerable pressure upon the department for a time, but when there is nothing of that kind going on naturally the pressure relaxes, and the men who are employed in the department become available for other departments. We try in that way to make our staff available generally for the office.

26,234. Can you tell me what is the general idea of the work of this commercial department; what does it principally do?—If you call upon me to state it in a concise form, I should say it deals with commercial matters.

Sir P. W. Currie, K.C.B.

12 Nov. 1889.

26,235. (*Mr. Lawson.*) Does it deal first of all with consular reports upon commercial questions?—The department publishes the consular reports.

26,236. (*Mr. Harvey.*) Would it deal with the tariffs of a foreign country?—Yes. All commercial treaties in their earlier stages are negotiated by the commercial department. When they get into the treaty stage then they go to the treaty department.

26,237. (*Mr. Lawson.*) Do complaints of merchants and traders go to the commercial department?—Yes, whenever they relate to tariff or commercial questions. Any complaint respecting the conduct or action of a consul would be dealt with in the consular department.

26,238. (*Mr. Hanbury.*) How far, apart from the consular department, does the diplomatic department do anything to assist the trade of the country, in other words, what is done in this direction by the Foreign Office proper as opposed to the consular department?—I should say one of the principal occupations of Her Majesty's representatives abroad is in every way to assist and foster the trade of the country, and to assist all commercial men who have any kind of difficulties.

26,239. Is there a commercial department at the Foreign Office which, as it were, looks them up to see that they do that kind of work?—Certainly; there is a commercial department which conducts the correspondence regarding such matters.

26,240. Is that work growing, or has it grown much of late years, or not?—I think the whole of the work has grown. I do not know that the work of that branch has grown especially. It is one of those questions I cannot answer offhand; I have not the supervision of the commercial department myself.

26,241. (*Mr. Freeman-Mitford.*) The commercial department is entirely a matter of modern growth, is it not, and it is still growing?—Yes.

26,242. Twenty years ago such a department did not exist; 20 years ago Her Majesty's ministers and ambassadors abroad practically did very little to foster commerce, and had very little to do with commercial questions, is not that so, in comparison with what they do now?—I should say they had then much less to do with commercial questions than they have now.

26,243. Therefore, this is a matter of entirely modern growth, and, as you say, it is still growing?—Yes, the commercial department of the office is a modern creation; formerly whatever work of the kind had to be done was practically done by the Board of Trade; we referred these matters to the Board of Trade, and they suggested what we should do. Now the commercial department takes the initiative in those things, independently of the Board of Trade.

26,244. (*Mr. Hanbury.*) Does the Foreign Office list show what are the instructions and regulations relating to this department?—There are no special regulations.

26,245. (*Mr. Lawson.*) In the consular memorandum you say that the attention given to commercial reports is one of the most marked features of progress in the service. Does that involve a good deal of extra work for the commercial department of your own office?—One man has been told off especially to edit the commercial reports. He is a man on what I call the supplementary establishment. Lord Rosebery instituted the system of publishing them very much more rapidly than had ever been done before, and each individual commercial report is now published immediately on its receipt.

26,246. (*Mr. Hanbury.*) Another question arises out of that. We have lately had issued to us an index to all these consular reports, the preface to which says that the Foreign Office clerk who has indexed these reports did the work not in office hours, and that there is nobody specially set apart for that duty?—It is the special duty of the man who made that index to edit these reports, but the task of making a general index to all back reports was an extra work which he undertook. He thought it would be useful, and I believe it is very useful.

26,247. In your opinion, year by year, the Foreign Office is doing this work more thoroughly, and is taking a greater interest in assisting the trade of the country?—I think not only the commercial department, but the Foreign Office generally, does everything it possibly can to assist the trade of the country. There is nothing we have more strongly before us than that; that is one of our chief duties.

26,248. (*Mr. Lawson.*) Was this man an expert in that kind of work when he was appointed a supplementary clerk?—He originally entered the office as a supplementary clerk; he has some literary ability.

26,249. (*Mr. Freeman-Mitford.*) I gather from what you have said that you are not in favour of making any alteration in regard to limited competition for the Foreign Office?—No. I think it decidedly desirable to keep in the hands of the Secretary of State the selection of the men who shall compete for clerkships in the Foreign Office.

24,250. I believe that Lord Clarendon on one occasion did say that he would rather give up the seals of the Foreign Office than cease to have any control over the men whom he appointed to it; is not that the case?—I believe he did say so.

26,251. (*Mr. Hanbury.*) May I ask how many of these departments are confidential?—Three are entirely confidential, and two partly so.

26,252. At the utmost, then, only half of them are confidential departments?—The other departments are partially manned by men not on the diplomatic establishment. The heads of all the political departments, of the commercial department, of the consular department, and of the chief clerks' department, are all men on the diplomatic establishment.

26,253. But inasmuch as these last-mentioned are not confidential departments, your argument as to the necessity for a nomination would not apply to them, even if it held good with regard to the others?—I think it would be very difficult indeed to have two systems in the office, because it is very desirable that the men in the office should take their turn in the commercial department, and should learn the commercial work. It is also very desirable that they should take their turn in the consular department.

26,254. Do they change about in that way?—Certainly they do. Every man in the office, as a rule, has been through the departments of the office. My idea is to keep the juniors for about two years in one department and then to move them to another, so as to let them get, as far as possible, a general knowledge of the work of the office.

26,255. Apart from that, is there any reason why the senior clerks in the non-confidential departments of the Foreign Office should be appointed, after nomination, any more than in any other Government department?—I think it would be very undesirable to have a double system in the office.

26,256. But apart from that, is there any reason for it?—There is the fact that we are in the habit of not chaining men down to any one department, but move them from one to the other. It would, therefore, be a very inconvenient thing if the head of the commercial department was a man whom we could not put into a political department if we wanted him.

26,257. Then your argument, I suppose, is that because one half of the work of the Foreign Office is confidential and the other half is not, the whole of the clerks must be appointed after nomination in order to secure a regular change of offices amongst these men?—Yes; I would not say so absolutely of the commercial department, but I would not separate that altogether from the rest of the office.

26,258. (*Mr. Freeman-Mitford.*) I presume that, even in the commercial department, there may at any moment crop up certain matters of a very confidential nature which might not necessarily filter down to the lower grades of that department, but might be confined to the men at the head, who are men on the diplomatic establishment of the Foreign Office?—Certainly. I think it is very desirable to have the commercial department presided over by a man who is on the regular staff of the office.

26,259. (*Mr. Lawson.*) Is that so. Could anything in the commercial department be kept from the knowledge either of the supplementary or of the lower division clerks?—Certainly, everything of a confidential nature is kept from the knowledge of the lower division clerks.

26,260. Is it kept from the supplementary clerks?—No. I should look upon a supplementary clerk as quite worthy of trust. When men are on the regular establishment, I never should doubt their being perfectly trustworthy.

26,261. And yet you bar the door of promotion to them?—That is simply for convenience sake, in consequence of the different nature of the work.

26,262. (*Mr. Hanbury.*) They are appointed after nomination, and, therefore, if you attach such great importance to nomination as a test of character why should not the supplementary clerks who have gone through the test of nomination be fit for promotion to a higher rank?—That is simply an arrangement which has been made for the convenience of the office. In the political departments, where the work is more important, we have men whom we consider to be more highly trained. I do not like to say we have not perfect confidence in these other men, I certainly should trust them, but still you can understand that in working very important diplomatic matters it is desirable to have men whom you thoroughly know.

26,263. (*Mr. Lawson.*) Is it the case that the work which a junior clerk entering the service would do in any department would be very much the same whichever department he went to?—I should say not.

26,264. Would not his work for the first two years be mechanical?—In the political department some of his principal work would be deciphering telegrams.

26,265. (*Mr. Maclure.*) Would that be confidential duty?—It is most confidential work. I think that a man who has to copy important despatches naturally acquires some knowledge of them. I came into the Foreign Office at the time of the Crimean war, and I spent two years in copying Lord Stratford's despatches. I think that was rather a valuable experience. There was a good deal to be learned from them. I should not have seen them or read them unless they had passed through my hands in that way. I do not know any way in which a very young man can be better employed.

26,266. (*Mr. Freeman-Mitford.*) We had some talk just now about the advisability, or otherwise, of establishing a general register in the Foreign Office. Are you thoroughly satisfied with the present order of things?—I think that our system, which requires a very rapid reference to papers, necessitates our having a separate register in every department. I think that if they went to a central register we should not be able to get at the papers so quickly as we do. Now, the Secretary of State very frequently calls for papers which are required in a moment, while perhaps a foreign minister is waiting. I think if we had to go to a central register and to general archives we could not get the papers nearly so quickly as we do now from each department.

26,267. In regard to the appointment of a sub-librarian, a sub-librarian as I understand, even if the librarian were appointed from outside, would be an officer whose appointment you would like to see confined to the office itself?—Certainly.

26,268. By promotion, as I understand, in order to keep up the traditions of the office?—I think that the appointment of a librarian from the outside should be a very exceptional thing, but when I am asked what the powers of the Secretary of State are, I certainly am not prepared to limit them. If any post in the Foreign Office required very exceptional capacity, and there was no man in the office who had that capacity, then I should say the Secretary of State was perfectly at liberty to go to the outside for him. With regard to such a post as that of sub-librarian I think that it is very desirable to get men who have been trained in the department, and who have a knowledge of it, and I do not think that such exceptional qualities are required in that position as would justify going to the outside to fill the office.

26,269. (*Mr. Harvey.*) You justify the maintenance of the principle of nomination, on the ground of the confidential nature of the work of the men who are to be employed in the political divisions, do you not?—Yes.

26,270. As I understand you, there are no lower division men and no writers in the political divisions?—None.

26,271. Are steps taken to prevent any papers containing matters of a confidential nature from coming into the hands of lower division clerks, or the writers of other divisions?—Those papers never ought to go into their hands, and certainly they never would go into their hands.

26,272. Would you say they never do as a matter of fact?—Never.

26,273. In two years they will, of course, because in two years under your system they will pass into the hands of the librarian, and the librarian's department is composed of lower division clerks, and I presume, if necessary, of copyists?—Not of copyists.

26,274. Of lower division men at any rate?—There are some lower division men in the department employed in indexing.

26,275. So that after two years the lower division men in the librarian's department would practically see everything?—I do not think it would be quite as soon as two years; but as soon as the papers are ready for indexing. The papers go into the librarian's department in two years, but I do not think they begin the indexing of them for some further time; I should think about four or five years or longer. No doubt then the lower division men would see the papers, but even then not all, as a certain amount of this work is reserved for the supplementary clerks.

26,276. Now as to the work of the men in what you call the diplomatic or political departments, would you say that the work of a junior clerk entering the Foreign Office in the diplomatic department was more difficult or less difficult than that of a man who was in the chief clerk's department when he first entered?—I imagine that in the chief clerk's department he would be occupied in adding up figures. In a political department the man is employed in deciphering telegrams, no doubt in a good deal of copying, and also in doing generally what is required of him. I do not consider it to be difficult work.

26,277. Would the chief clerk's department have charge of the Vote for the Foreign Office?—Yes.

26,278. It would have charge of the financial arrangements?—Yes.

26,279. Would you say that any work that a junior clerk on the diplomatic establishment ought to do during the first two years was up to the level of the work that any man ought to do who was entrusted with the Vote of the Foreign Office, or the Vote of the Consular Service, or the Vote of the Diplomatic Service?—I think that the work he would have to do requires a considerable amount of general intelligence; and I should also consider that work as a training fitting him for the more important duties he would have to perform hereafter.

26,280. (*Mr. Freeman-Mitford.*) And such work is confidential, is it not?—Yes.

26,281. (*Mr. Harvey.*) That is a point which I wish to accentuate. I understand the drift of your evidence to be that you would not at all defend the principle of limitation of competition on the ground of the nature of the work done by the men so appointed, but exclusively upon its confidential character?—Certainly not upon the difficulty of it, but upon its confidential character.

26,282. Are steps actually taken in the political departments—the eastern, the western, and the American—for preventing papers from so lying about in an office where, I suppose, as in every other office, men go from one room to another, to prevent a lower division clerk from seeing any of the confidential papers?—No confidential papers are left lying about in the department. All confidential papers are always locked up at night

26,283. If you would defend this limited competition on the ground that you must have a special body of men on account of the specially confidential nature of the work, I want to see whether, as a matter of fact, in the daily practice of the Foreign Office the confidential papers are really guarded against the knowledge of any lower division clerk from any other department, say from the commercial department or the treaty department, who might in what seemed to him the legitimate course of his business come into a particular political department?—I should say they are strictly guarded from him and that no lower division clerk in the Foreign Office would ever have the slightest chance of seeing any confidential printed paper, or any other confidential paper. I may say positively that that is so.

26,284. How many junior clerks have you in the departments that are under your superintendence?—In the western department there are a senior clerk, two assistants, and five juniors.

26,285. Is their time exclusively taken up with work to which you give the name confidential?—Of course

Sir P. W. Currie, K.C.B.

12 Nov. 1889.

there is a good deal of work done in the department which is not confidential. You might say—I suppose that would be your view—why not eliminate the work which is not confidential and put it into another department.

26,286. That is what I was going to put to you?—My answer to that would be that we are liable in the Foreign Office to a very great and sudden pressure of business, and that business is very often of a very confidential nature, therefore, if we did not do any other than confidential work in the departments, if we were to eliminate all that work and keep only men always employed on confidential work, we should, in the event of a sudden pressure, find ourselves short-handed. For instance, I was in the French department in 1870 occupying much of my time with work which was not confidential, suddenly the Franco-German difficulty began, and in a moment there was an enormous rush of work. I remember I was kept there all through the summer working about 10 or 12 hours a day on work which was of a very confidential nature. If that department had been kept strictly limited to the number of men necessary to do the confidential work in ordinary times, we should have been utterly unable to cope with the work when this sudden pressure came. That, I think, applies to the office generally. Everybody knows that at any moment European complications might take place, and we should then, no doubt, have a very great pressure of work. If our staff was strictly limited to the amount that was necessary in ordinary times for confidential work, then in a time of pressure we should not have enough men to do the work.

26,287. So that we may take it that the normal staff of the political divisions of the Foreign Office is manned with a reference not merely to the ordinary work but to the special demands exceptionally made upon it?—I should say yes, that the political departments deal not only with the confidential work but also with a good deal of work that is not confidential. I think it would be undesirable to diminish that, because you would then so diminish your staff that in a time of pressure you would not have hands enough.

26,288. You have, I think, regarded the supplementary staff as men who may be entrusted with confidential work?—I think it is invidious to say of any class of men that they are not to be trusted, and I should decline to express any opinion of that kind.

26,289. In the practice of the Foreign Office, would it be the custom to entrust the confidential papers, if necessary, to supplementary men as well as to the men on the main division?—I should not consider those men as unworthy of confidence. As a matter of fact, the practice of the office is, that the confidential work, which is confined to the political departments, is done entirely by the men on the diplomatic establishment.

26,290. Supposing we assumed that the ideal arrangement of the Foreign Office should be that a system similar to that or identical to that at present in operation for men to be entrusted with purely confidential work should continue, might not the whole of the other work be done by clerks of the lower division under the system which this Commission has laid down in its previous reports?—I think that the work of the non-confidential departments might be done by clerks of the lower division, superintended, as is the case in other departments, by a certain number of upper division clerks. Those upper division clerks I should take not from the diplomatic establishment, but from what I have called the supplementary establishment. That has already been adopted in the Foreign Office to a considerable extent, for as you see there are eight or ten lower division clerks in the chief clerk's department, and four in the librarian's department.

26,291. The gist of my question is, that this Commission having laid down certain rules for the Service generally, and you, as representing the Foreign Office, having shown grounds for excepting a certain portion of the Foreign Office from the general arrangement which this Commission has laid down as applicable to the whole Service, I want to see whether we could not get the whole of the work of the Foreign Office within the scope of our former recommendations, with the exception of that part which is employed on what you call confidential work?—I think you cannot do that. I think that the non-confidential departments might be chiefly manned by lower division clerks. I have not much experience of lower division clerks, but I think it would be very desirable to have them superintended by a certain number of higher division clerks as they now are.

26,292. But you would not think of putting forward any view about lower division clerks opposed to the generally high opinion as to their confidence, and as to their capacity, which has been given in other sittings of this Commission?—No, I should be quite satisfied to accept that view as regards the non-political departments of the Foreign Office. As regards the political departments, I think that we ought to have a special staff of men of the class that we have now.

26,293. As for the grounds on which that class is selected, you have told us that you were private secretary to the Secretary of State for Foreign Affairs, and in answer to a question that was put to you, I understood you to say that the private means of a candidate was not one of the points which you would consider in the selection of those names which should be submitted for competition?—Not for the Foreign Office, for the diplomatic service we should.

26,294. I am leaving out the diplomatic service entirely; I am speaking simply with reference to the Foreign Office?—With reference to the Foreign Office there is a stipulation as to age; if a man has a home in London he is eligible rather earlier than if he has not. I never troubled myself about a man's means in the least.

26,295. Have you considered whether you would not get this confidential work just as well done by ordinary men of the higher division entering under the ordinary arrangements as the rest of the Service without nomination; would not the necessary confidence be as thoroughly secured and well guarded if you were to abolish the system of nomination in favour of open competition as it exists in other offices?—I gave what I thought a very strong reason against open competition. What I would add to that is that I think the Secretary of State ought to have a distinct control over the nomination of any persons who are to compete for the Foreign Office.

26,296. With reference to the librarian; has not the librarian of the Foreign Office published several books?—He has published State papers and collections of treaties.

26,297. If you would be good enough to turn to the Estimates, page 106, you will see that there are ten Queen's Foreign Service messengers at 400*l.* a year each; who appoints them?—The Secretary of State.

26,298. Is there any examination for that appointment?—There is a pass examination before the Civil Service Commissioners.

26,299. (*Mr. Maclure.*) That is not a competitive examination, is it?—It is not competitive in any way; it is merely a pass examination.

26,300. What are their duties?—Their duties are to carry despatches to Her Majesty's representatives abroad.

26,301. (*Mr. Lawson.*) With regard to the examination, it is more or less of an elementary kind, is it not?—Foreign service messengers must on appointment be between the ages of 25 and 35. They must be British subjects. They must have such a knowledge of either French, German, or Italian as will enable them to make themselves understood in regard to such matters as concern their duties on the road, those duties being to convey the despatches entrusted to them safely and expeditiously by whatever means they may have occasion to travel; they must have such a knowledge of the first four rules of arithmetic as will enable them to make out their accounts in the simplest form. Those examinations are now suspended. They must be able to ride, and competent to perform journeys on horseback; and they must possess sound bodily health.

26,302. Is there any examination for the riding?—A man has to show that he can ride.

26,303. (*Mr. Fowler.*) Is there any check upon their journeys?—I must refer you to the chief clerk, he specially superintends the messengers and is responsible for their accounts.

26,304. I am not talking about their accounts, I am talking about journeys. It has been alleged frequently in the House of Commons that these messengers are not employed exclusively in conveying despatches, but that they are employed for various purposes, for convenience of the embassies, and that they often make

journeys when there is really no political necessity for such journeys being made?—There are fixed journeys to some of the more important Courts. For instance, there is a weekly messenger to Berlin, a fortnightly messenger to Constantinople, and a fortnightly messenger to St. Petersburgh. The messenger's business is to convey the despatches, and there is generally a considerable accumulation of things to be taken at the end of that time. Many years ago there was great complaint that the messengers conveyed parcels for people who did not belong to the Service, but there have been very strict rules laid down about it. A messenger is justified in taking a certain amount of moderate sized parcels for the minister and the ambassador to whom he carries despatches, but nothing belonging to persons not in the Service is allowed to be sent.

26,305. Is there any authority which would interfere with an ambassador or a minister sending a special messenger home for a mere trifling purpose?—Certainly; he cannot do it.

26,306. He cannot do it?—An ambassador can only send a messenger home by asking special authority from the Foreign Office to do it. As a rule he has no messenger at his disposal except the man who has been sent out from the Foreign Office with a fixed time for going, and a fixed time for coming home.

26,307. (*Mr. Freeman-Mitford.*) Was there not a distinct order given out to say that Foreign service messengers were not to take any parcels for members of the legations?—I think the order applied to parcels for people who are not members of the legations.

26,308. (*Mr. Lawson.*) What means have you for enforcing the rule with regard to the contents of the Foreign Office bags?—They are made up in the Foreign Office.

26,309. (*Mr. Fowler.*) Then nothing can be put in without the sanction of the head of each department?—That is so. Frequently the head of the department comes to me and says there is rather a large parcel come for the ambassador, and asks me for my sanction to send it; I frequently say, that before sending it he should write to the ambassador and ascertain exactly what it is.

26,310. I can understand that confidential despatches must, of course, be sent by a messenger, but now I want to ask your opinion whether there can be any reduction in the expenditure under this item?—In reply to that, I may say that Queen's foreign service messengers are employed under the Foreign Office to carry between London and foreign capitals, despatches and communications of a confidential character which it is not considered advisable to intrust to the ordinary post. In 1869 there were 17 of these messengers; in the following year they were reduced to 15, in 1873 to 12, and under a minute approved by Lord Granville in 1883, they now number 10 only. In consequence of the increased facility and rapidity of communication and of the establishment of a local service between Paris and Calais, it is in contemplation, as vacancies occur, still further to reduce the number. The following are the fixed journeys now performed by the foreign service messengers:—A fortnightly service to Constantinople, by way of Paris, Stuttgardt, Munich, Vienna, Belgrade, and Sophia; a fortnightly journey to Berlin; a fortnightly journey in the intermediate weeks to St. Petersburg by way of Berlin. The messengers are held in readiness for extra journeys as required. The messengers receive salaries at 400*l.* a year, with an allowance of 1*l.* a night while employed abroad. The messengers charge in their accounts their actual expenses, that is to say, the railway fares and the sums paid for excess luggage. Such items as cab hire, fees to guards, porterage, &c. are settled according to a table of fixed allowances, calculated, as far as possible, so as to reimburse the messenger his actual outlay, and no more. This table is revised from time to time, so as to adapt it, as far as may be, to altered circumstances, the last occasion of such revise having been in 1887, when further savings estimated at about 250*l.* a year were effected.

26,311. (*Mr. Hanbury.*) I suppose the telegrams are sometimes confidential, are not they?—Yes, generally.

26,312. But you trust them to the foreign post offices?—They are all in cipher.

26,313. Why cannot despatches be sent by post in cipher?—Despatches are frequently sent in cipher by post.

26,314. Just as confidential telegrams cannot be deciphered, and just as you trust important communications to the telegraph, why cannot you also send despatches by post in cipher, and so save these messengers?—Despatches are frequently sent by post.

26,315. Why cannot you send more—why cannot you send them all?—I do not think that it would be possible for us to dispense altogether with messengers, but this memorandum shows that their numbers have been much reduced—the number of journeys has been very largely reduced, and I hope that it will be possible to diminish the number of messengers still further.

26,316. Then there are other reasons for employing these Foreign Office messengers besides the danger of despatches being read?—Yes; for instance we keep our foreign representatives abroad at important posts informed of what is going on, and we send them habitually the confidential printed papers. It would be an endless labour to put all those into cipher.

26,317. What is the distinction between papers that you send by Queen's messengers, and those that you can send by post either in cipher or in plain?—There are voluminous papers that are sent to Foreign Ministers, and the labour of putting them into cipher and deciphering them would be so great that it is better to send them by messenger.

26,318. (*Chairman.*) Now the Home Service Messengers: your memorandum says what their numbers are, but I do not quite understand what they do?—Their business is to carry the boxes in which Foreign Office business is transacted between the Secretary of State and the Queen and Ministers, and to deliver letters to foreign representatives, other offices, &c.

26,319. I think you were asked some questions about the new arrangement, whereby a legal assistant has been appointed to the Foreign Office at 1,000*l.* a year, has that been proved to be a satisfactory arrangement?—I think it has. Dr. Deane was assistant to the Law Officers in Foreign Office business, and he received 2,000*l.* a year; but his post was abolished, and a man entirely attached to the Foreign Office as a part of the establishment was appointed, with a salary of 1,000*l.* a year.

26,320. In the questions which you have found it necessary in your position as Permanent Under Secretary to get dealt with by the legal adviser, have you found that the present arrangement is a good one?—I have found it is a very satisfactory arrangement. I think it is an excellent arrangement. We constantly require advice on matters which it is not necessary to submit to the legal officers of the Crown, and we find his advice of great use.

26,321. (*Mr. Lawson.*) Is his time fully occupied?—He tells me that he cannot get through his work.

26,322. (*Chairman.*) Then about the hours of the Foreign Office, at first sight it does not appear why the Foreign Office should begin at 12 instead of beginning at the usual hour?—The hours of the Foreign Office have always been late. We find by experience that it is very difficult to close the office early. I myself never leave the office before seven; and whenever there is a pressure of business I remain a great deal later. The Secretary of State generally sends his work on late; it depends very much upon him. He sees the Foreign ambassadors and ministers in the afternoon: they seldom come before three; three to five are about the hours at which they are received; then the Secretary of State, having as a rule been a member of the House of Lords, frequently returns to the office after the house has risen; therefore, we are liable to have important work come to us quite late, and it is impossible to close the office early. If we were to open at 10 o'clock I do not think we should be able to close early.

26,323. Is there any inconvenience caused to other departments, and possibly to other ministers, by the Foreign Office bags not being opened early enough, or is it the fact that the Foreign Office bags are opened early?—The Foreign Office bags are opened the first thing in the morning by the resident clerks, and all the letters that come in the Foreign Office bags are distributed.

26,324. Then the Foreign Minister would get his letters at home early?—Certainly.

26,325. (*Mr. Lawson.*) I see that some of the departments are open at 11 o'clock?—Yes; those are the Financial and Commercial. The Commercial Department is open at 11 to suit the convenience of the Parliamentary Under Secretary.

Sir P. W. Currie, K.C.B.

12 Nov. 1889.

26,326. Supposing the hours of the clerks at the Foreign Office were seven, would it not be for the general public convenience if the office were open at 11 throughout?—If the office were open seven hours I should prefer that it should be open from 12 to 7 rather than that it should be open from 11 to 6.

26,327. But you open parts of it at 11 now?—We do, but not the political departments. The political departments are open from 12 to 6.

26,328. (*Mr. Hanbury.*) Do the departments which begin at 11 o'clock close at 5?—I do not think they do close at that hour. For the political departments there are no really fixed hours, although we call them from 12 to 6.

26,329. (*Chairman.*) Have you been considering at the Foreign Office the question of adopting the opinion of this Commission, that the hours ought as a rule to be 7; have you considered how to introduce that into the Foreign Office?—It really would not make any very great change to us.

26,330. Probably not, and certainly not with the higher officers, but with reference to the lower division clerks who are now getting 80*l.*, rising by 15*l.* triennially up to 200*l.*, for six hours work, how would it effect them?—A lower division clerk generally has a certain amount of mechanical work served out to him at the beginning of the day, and whether he works for five hours, six hours, or seven hours, makes no difference, he simply goes on a little longer. But the work of our political departments cannot be dealt out to the men at the beginning of the day. Perhaps when they come there is a certain amount of work to do in connexion with registering, putting the papers by, and getting the things into order, but then it is uncertain what amount of work comes down. Perhaps the Secretary of State sends down three or four long telegrams to be sent off. Those have all got to be put into cipher and sent off, then copies of all have to be made to be sent to the Cabinet. You cannot possibly tell what amount of work there will be in course of the day, and therefore you want a certain amount of elasticity. For that reason I should be unwilling to adopt the system of an attendance book, because if you tie a man down to come positively at a certain fixed hour, and then state another fixed hour for the time that he leaves off his work, naturally at that time he takes his hat and goes, whereas according to our present system in the Foreign Office, there is no time for going away, and the men go away when they have done their work. When I was the head of the eastern department, during the war between Russia and Turkey, when there was very heavy work, the men did not habitually go until long past 8 o'clock. I, myself, used to be there very constantly till 9 o'clock, and I generally left two or three men still in the department. In consequence of the disturbed state of the east of Europe and Egypt the strain on the department lasted fully ten years, from 1876 to 1886.

26,331. (*Mr. Lawson.*) To put a direct question, whilst everybody would acknowledge that the higher officials have an immense amount of work to do, do you think you work your young men sufficiently long hours?—I think so; I think that the moment there comes any pressure of business, we work them very hard indeed: we keep them very long hours, and we keep them very hard at work.

26,332. In ordinary times, do they work six hours?—Yes, I think they do; they are there six hours.

26,333. (*Mr. Hanbury.*) Do you really say it would not be an advantage to the office to make sure that everybody should be there punctually to begin work at a given hour?—They do come punctually. The departments are always open at 12 o'clock, and the greater part of the men are there. But we have not got an attendance book, so that I could not call for anybody, and say, "that particular man did not come until five "minutes late, or ten minutes late, or a quarter of an "hour late."

26,334. Or half an hour late?—Or half an hour, it might be.

26,335. (*Mr. Freeman-Mitford.*) I suppose you would make the heads of the departments responsible?—The head of the department is responsible for that; it is his affair; he has got to see the work done. I have not been asked my opinion about keeping an attendance book, but if you ask me upon that I would say that if you make a man come absolutely at the minute, naturally he says, I will go at the minute too. That would be perfectly fatal to us—the one thing that is important to me in the office is that I shall be able to keep the men to any hour the business requires. At present I will undertake to keep the men there all night, if necessary, and nobody will complain. It is the custom of the office; it always has been: there is a very good spirit shown, and nobody considers they have any right to go away until the work is done.

26,336. (*Mr. Lawson.*) Does that apply to every class?—That applies to the political departments; of course the work of the other departments is more routine; for instance, in the financial department it is of less consequence whether the work is done that day or the next as long as a fair proportion of the work is got through.

26,337. Surely the commercial business in the commercial department is of some importance?—I do not think it applies so much to the commercial department; I was speaking of the political departments. There are times, no doubt, when there is very great pressure in the commercial department too.

26,338. Do not you think it would be an advantage if in the non-political departments the hours were seven instead of six?—I do not think you will get any more work out of a man if you ask him to stay an extra hour.

26,339. (*Mr. Harvey.*) Do I understand that a man from the City coming to the Foreign Office at half-past 10 to the commercial department would not find anyone there?—He would not find anybody in the department, but he would find the resident clerk.

26,340. (*Mr. Fowler.*) Is the cipher department a separate department?—No, that work is done in each political department.

26,341. Is there a separate cipher in each political department?—Each department has its set of ciphers.

26,342. And are all the men on the establishment familiar with the use of them?—Yes.

26,343. (*Mr. Freeman-Mitford.*) When you say each department has a set of ciphers, you have the A, B, C, D, E, F, and you have got one set of those in each?—Yes.

26,344. It is not a separate cipher?—No.

26,345. (*Mr. Lawson.*) In your experience have there not been cases in which information of a confidential character has permeated down to classes which are not within the category?—I have no knowledge of any such.

26,346. You do not know of any?—No.

26,347. Sometimes complaints have been made that the ordinary clerk in the Foreign Office is not sufficiently acquainted with commercial business—do you insist that every one of your political clerks shall pass a certain time of real effective work in the commercial department?—It is not an absolute rule, but as a matter of fact I should try to put most of them there. Then of course there always comes in the other consideration that when a man has been some time in the commercial department he becomes very useful, and if I attempt to take him away the head of the department says "If you take that man away, I do not know what I shall do."

26,348. Then you do not disturb the different branches more than you can help?—My principle is to move the men about, but still you have to consult the convenience of the departments.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

SEVENTY-SEVENTH DAY.

7, Whitehall Place, Westminster, S.W., Wednesday, November 13th, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.
Rt. Hon. H. H. FOWLER, M.P.
Mr. A. B. FREEMAN-MITFORD, C.B.
Mr. J. CLEGHORN.
Mr. R. W. HANBURY, M.P.
Mr. H. L. W. LAWSON, M.P.
Mr. J. W. MACLURE, M.P.
Mr. H. WALPOLE, C.B., *Secretary.*

Sir FRANCIS ALSTON, K.C.M.G., called and examined.

Sir F. Alston, K.C.M.G.
13 Nov. 1889.

26,349. (*Chairman.*) I believe you are the chief clerk of the Foreign Office?—I am.

26,350. I understand that you are principally in charge of all the financial business of the office?—Entirely so.

26,351. And that the accounts of the diplomatic and consular service, with the preparation of the estimates, is in your hands?—Yes.

26,352. And that you also represent the Foreign Office before the Public Accounts Committee of the House of Commons?—I do so.

26,353–4. Do you also have charge of the staff?—It would be, perhaps, more correct to say that I assist the Under Secretary of State in the administration of the different departments of the office. At the Foreign Office the Under Secretary of State regulates the discipline of the clerical portion of the establishment.

26,355. Do you mean the Parliamentary Under Secretary?—No, the Permanent Under Secretary. I should say that I, as chief clerk, assist the Permanent Under Secretary, and that all questions of discipline are referred to him.

26,356. Sir Philip Currie gave us some evidence yesterday, with reference to the different classes of clerks which you have in the Foreign Office. I do not think I need go into detail over all that. I think we understand, from the memorandum submitted to the Commission by the Foreign Office, that you have 36 clerks on the establishment; that is to say, 36 Foreign Office clerks proper?—Yes.

26,357. Who are nominated from a list by the Secretary of State, and who then compete for the appointments?—Quite so.

26,358. I believe that eight or 10 generally compete at a time?—Quite so.

26,359. According to the memorandum, these 36 clerks are set out as consisting of five seniors, seven assistants, 20 first-class junior clerks, and four second-class junior clerks?—Yes.

26,360. Then you have a class something analogous to the supplementary clerks of the Treasury?—That is so.

26,361. They, I believe, are similarly appointed, only they undergo a different examination?—The supplementary clerks are appointed under a different examination. There is a class in the library which is somewhat analogous to the supplemental class, but they undergo the same examination as the clerks on the diplomatic establishment of the Foreign Office.

26,362. Do you mean the whole of the clerks in the librarian's department?—Yes, with the exception of four lower division clerks, who were added to the department about 12 months ago.

26,363. Are these lower division clerks doing in the librarian's department the same kind of work that is being done by the other clerks?—They are on the registry, registering and indexing old papers.

26,364. What is your opinion with reference to the work of the lower division clerks; do you think it would be possible that the position of the clerks who correspond to the supplementary clerks in the Treasury could to any extent, as vacancies occurred, be taken by lower division clerks?—That is a question which will have to be considered very soon. Our lower division clerks have now served upwards of eight years. I had always considered that the question would not arise till they had served 10 years, because under the old Order in Council they must have served 10 years before the question of promotion could arise; but if the term is reduced to eight years, they will become at once eligible for promotion. So that it is a point which will unquestionably have to be considered whether some means of promoting them cannot be found by substituting some of the lower division clerks on selection for some of the supplemental clerks who have been hitherto appointed.

26,365. From what you have seen of the lower division clerks that have come into the Foreign Office, would you say that they are the kind of men who are likely to do good work in the Foreign Office, as good work, for instance, as is now being done by the supplemental clerks?—As far as my experience goes, they do excellent work, but of course you cannot expect always to find all men equal in every respect. One man may be admirable as regards his work, but he may not be one of nature's gentlemen; you will find differences in that respect.

26,366. Speaking generally, do you see any necessity for maintaining, or do you think it would be desirable to maintain, the class of supplementary clerks?—No, if the matter rested with me I should say at once that I am prepared to consider the question whether we could not, in certain instances and by selection, promote lower division clerks to the positions previously held by the supplemental clerks.

26,367. (*Mr. Lawson.*) What do you mean by selection from the lower division; would it not be possible to fill most of those places with lower division clerks in the ordinary manner without selection?—I am speaking of the staff appointments. I should tell you that I have here a memorial from the lower division clerks in the Foreign Office, which they have requested me to put in before the Commission. I will now hand it in. (*Handing in same.*) I may say that the burden of their complaint (and it is the only complaint that they make) is, that they see no prospect of promotion. That was on my mind in answering the previous question.

26,368. (*Chairman.*) Take the staff at present in the librarian's department, which consists of a sub-librarian, two first-class clerks, and two second-class clerks, leaving out the four clerks below, who, I understand, are lower division clerks employed upon the registry; what Mr. Lawson is asking is, whether all those appointments should not be recognised as second division clerks' appointments, the sub-librarianship being, of course, a sort of staff appointment only filled by lower division clerks?—We do not know what a second division clerk is made of until we have had some experience of him. I should certainly, in all cases, like to have experience not only of the capacity of a lower division clerk but of his manners.

26,369. (*Mr. Lawson.*) Is not the work that is done by some of these gentlemen who are called the clerks in the librarian's department, such as could be done by the average lower division clerk?—Do you mean in point of capacity?

26,370. Yes, in point of capacity?—I do not for a moment suggest that the lower division clerks are otherwise than very capable.

26,371. Are they capable of doing this particular work; is it work such as you would intrust to the average lower division clerk?—If I found, on experience, that he was a capable man I should have no sort of objection to him; but I cannot say that all the

Sir F. Alston, K.C.M.G.

13 Nov. 1889.

men who come in as lower division clerks have invariably the qualities that would fit them for being placed in the library, at all events, in the upper positions.

26,372. (*Chairman.*) I suppose the present supplementary clerks in the librarian's department, the first and second-class clerks, have all got their places on promotion, and that you do not take them entirely on trust for the more important work of the division?—The supplementary clerk enters, in the first instance, at the bottom, and naturally he has to do the inferior work in the first instance. Then the librarian judges of his capacity and of his character, of his manners, and his general behaviour, and if the librarian is satisfied with the clerk's conduct he would recommend him in due course for promotion from one class to another, unless the librarian were so satisfied he would not recommend the clerk for promotion.

26,373. Do you feel that you know more of the adaptability of that clerk to your work in any portion of the department than you would of the lower division clerk when he first enters; have you got any guarantee of his capability?—No guarantee other than that he comes from a rather higher stratum of society, and is nominated by the Secretary of State, whereas the lower division clerk enters by open competition; those are the only distinctions.

26,374. Do you think as far as concerns the work which is now being done by the supplementary clerks that you could probably find men among the lower division clerks who could do the work?—That I have not a doubt about.

26,375. I rather gather that you are in favour of that being considered?—Certainly.

26,376. It strikes any person who looks for the first time at the estimates and the staff of the Foreign Office that you have got a good many heads, a large number of the higher clerical places, although I believe they have been diminished of late years. What can you tell us about the necessity, in your view, for the staff as it exists?—You see there are five senior clerks as against seven before the re-organisation in 1881. It was a question at the time whether the reduction of two of the senior clerks was not more than experience showed would work satisfactorily, but I am prepared to say I think it has answered the purpose. We have fortunately, five first rate men in these positions, and so long as we are careful to promote no one but a first-class man to the post of senior clerk, I think we shall be able to carry on the work as we are.

26,377. That is so long as you have the absolute right of selection?—We must insist upon that.

26,378. What do say about the number of assistant clerks and first-class junior clerks; that seems to bear rather a large proportion to the staff of the lower grade; is there anything in the nature of the Foreign Office work which you think necessitates that?—The reason why we maintain seven assistant clerks is that two of the departments have each two assistant clerks. Whether that is necessary I am not sure that I am so competent to say as Sir Philip Currie would be, because these are the political divisions with which I am not directly concerned at the present time.

26,379. Have you made any representations recently to the Treasury for extra clerks?—There were communications with the Treasury two or three years ago with reference to one or two lower division clerks. No assistance has been asked for in the body of the establishment.

26,380. I will now ask you to state as far as you are aware whether you see any means of reducing the staff with advantage to the Foreign Office?—I do not believe that you can with propriety or with safety reduce the body of the political department. There might be some re-adjustment possibly. It might be possible, instead of having seven assistant clerks, to have six assistant clerks and 21 first-class junior clerks, or to re-arrange the numbers somewhat in that form, but I do not believe that, as a body, taking the 36 clerks together, the work could be performed, certainly not in cases of pressure, with a less number of clerks.

26,381. With reference to the nature of the work that is done in the political department, to what extent is that work confidential?—It is held to be all confidential; some, of course, much more so than other portions of it.

26,382. I presume that the letters which come to the Foreign Office, if they are not marked "confidential," are opened in the ordinary way, as they would be in any other office?—All official letters addressed to the Under Secretary of State are opened by him or his private secretary.

26,383. If they are not marked "confidential," who opens those letters?—The despatches coming in the morning, addressed to the Secretary of State, are opened by the resident clerk, who is one of the political division of the office. Any letters coming in the course of the day are not taken to a registry room or to a department where the letters are to be opened, but they are taken direct to the Under Secretary of State or his private secretary. Any letter addressed to the chief clerk is brought to me, and I open it, or my first assistant would do so in my absence. Any letter addressed to the Under Secretary is taken to the Under Secretary, and is opened either by him or by his private secretary.

26,384. (*Mr. Freeman-Mitford.*) In fact, all the correspondence is held to be confidential, is not it?—Yes.

26,385. (*Mr. Fowler.*) Is it registered if it is opened?—It is registered in the department to which it belongs, registered in what is called the daily diary of the department, which is a different thing from the librarian's register.

26,386. (*Chairman.*) These questions are rather pointing to the same evidence we had yesterday from Sir Philip Currie about the status and position of the clerks upon your establishment, Sir Philip Currie holding a very strong opinion that it is desirable, owing to the confidential nature of the work, that there should be that special nomination for these clerks which does not exist in other offices. We should be glad to hear your views upon that point?—I am entirely of Sir Philip Currie's opinion, because I consider that the whole of the work is confidential.

26,387. The work is all regarded as confidential?—Yes.

26,388. Now a question about the relationship of the librarian's department to the other departments. I do not quite understand whether the papers in the ordinary course of current business are prepared by the librarian, or in his department?—Are you now referring to the memoranda?

26,389. Are there any despatches prepared in the librarian's department?—No despatches are prepared in the librarian's department; it is not a correspondence department.

26,390. That is what I wanted to be clear about; there is no correspondence?—That is so. I do not mean to say that Sir Edward Hertslet might not sometimes draft letters on matters with which he is specially conversant. For instance, any matter concerning the librarian's department probably would have to be drafted in my department, but Sir Edward might say, "I understand the case better than you, and I "will write it for you," but it would not be his business to write it, and his department is not a corresponding department.

26,391. (*Lord Lingen.*) Are we right in understanding that your department in the main works independently of the political department, and that, as a rule, you deal with accounts, and not with the diplomatic correspondence, properly so called; is that so?—That is the state of the case.

26,392. And that so far as you have correspondence it is with the servants of the Foreign Office, with consuls, and with secretaries of legation, and so on, as to their expenses?—With every sub-accountant, of whom there are between 600 and 700, I think.

26,393. Now take an important embassy, say of Paris, or Berlin, or Vienna, or Constantinople; supposing a question of accounts arose and came before you, in which we will say the ambassador himself was concerned, and something had to be written upon it, what would be the course of getting that letter written and despatched from the Foreign Office; should you draft it yourself?—I should not only draft it myself, but I should sign it; the whole of that correspondence would rest with myself.

26,394. If you did not consider it of sufficient importance to take the opinion of the Secretary of State upon it, would you issue that letter yourself?—Yes.

26,395. Being issued, would it appear on record in the registered correspondence in the Foreign Office?—It might, or it might not, that would depend entirely upon the form the communication took. If it was on an ordinary matter, I should deal with it in my own department and issue it from my own department.

26,396. If it was an ordinary matter and you knew the ambassador or the first secretary personally, should you write it in the form of a private or of an official note, or of a memorandum on the account; how would you send it?—I should write it in the form of an official communication; but very probably supplemented by a private letter, because I have an enormous private correspondence with every agent of ours abroad. I see that last year I sent out 1,282 official communications in regard to accounts independently of at least a similar number of private letters.

26,397. And all those papers written in official form would remain on the record of the Foreign Office, would they not?—They would remain on record in my own department, and they are bound up.

26,398. I want to put this case to ascertain how far the record is strictly official. I put a case which is an extreme case, not likely to happen in fact, but which still might happen. Supposing you had such a dispute with an ambassador about a question of accounts, that at last it attracted attention in Parliament and papers were moved for, would the letters that had gone out of your department be so far official, that they would be produced as a matter of course?—I am not aware of any instance in which they ever have been produced, but I see no reason why they should not be. I may say, that if ever I find the difficulty more than I can conquer, I hand the matter over to the political division. For instance, I should write a draft for signature by the Secretary of State if the official required to be pulled up, and proved stronger than I was, or if I was not able to deal with the case. There are occasions when it does happen that the thing goes beyond my powers of managing.

26,399. May we assume that as far as your department is concerned, if a question of accounts ever took so serious a form that it became a question of discipline and subordination, and not simply a question of accounting, that then would go into the Secretary of State's own department on reference from you?—Quite so; probably I should have the management of it, but I should pass it through that department.

26,400. You would consider that at that phase it passed out of your department into the Secretary of State's department?—Yes.

26,401. Owing to this division of the Foreign Office into the department of accounts, and the librarian's department (which is a sort of department of record), and the treaty department (which may be considered something of the same nature), and the commercial department, a young gentleman who is brought up wholly in the political department has no very direct experience, either in commercial questions or in accounts, has he?—The commercial department is manned, to a certain extent, from the political body of the office. I should say that the number of those in the Foreign Office who have been through the commercial department is considerable.

26,402. That is to say, clerks that belong to the political department are employed in the commercial department?—Certainly.

26,403. And would be transferred from one division of the office to another, including the commercial department?—Yes.

26,404. But in your department, which is the department of accounts, at present all your own special staff (which, by the by, is an exceedingly small one considering how much you have to do, only three) are supplementary clerks?—Those are supplementary clerks.

26,405. And none of the politicals, if I may call them so, pass through your department?—No; I was offered some years ago the assistance of one gentleman of the political establishment of the office, but I said I preferred to be wholly master in my own department.

26,406. I understood the gist of your own opinion to be this, that the posts now occupied by these three men might, as vacancies fall, perfectly well be recruited from lower division clerks?—I should not like to go so far as that. I think that my successor (and it is a question which will arise one of these days, for I have almost completed my 50 years in the Foreign Office) should not be handed over exclusively to lower division clerks. I should doubt his ability to cope with the work which he would have to deal with, with less than the superior staff by which I am now assisted.

26,407. Supposing it were understood that a lower division clerk, taken to be one of the clerks in your division, was *ipso facto* put up several years' salary at once in that way, to mark the responsibility of his duties, and having a very considerable number to select from, of men who have been in the Foreign Office for a considerable time, would you not think it probable that you could get perfectly competent men without having a separate division and a separate admission for them?—Well, the room in which the three assistants that you are speaking of sit, is visited in the course of every day by a considerable number of gentlemen from either embassies, legations, or consulates abroad, who happen to be home on leave, and it is absolutely necessary that there should be more than one man to meet them. I have some capacity for work myself, but it is quite impossible that the chief clerk can see all those gentlemen who call in the course of the day. It would be more than one man could do. You must have at least one man always in the next room who is competent to receive the gentlemen who come to the department to discuss matters of accounts or any other questions which bring them to the chief clerk's department.

26,408. That practically comes to this, that there must be somebody capable of acting as your deputy in the less important interviews and in that part of the business of your department which has to be personally conducted?—Yes, and I should be afraid to limit the number to one, because there are occasions when the one may be away.

26,409. You and your deputy would, as a rule, not be away together?—Not very often. I am scarcely ever away myself. I hardly ever leave the office, but I should not like to undertake to receive everybody who comes into my next room; that would be out of the question.

26,410. You see there is a very considerable inconvenience, unless a strong reason can be given for it, in having a special class if you can work an office with a general one. As far as your own deputy is concerned, would not one of the political young gentlemen be considerably improved by being familiarised with your system of accounts and passed through your department. It would be his special duty to be, we will say, your deputy, that is, would do the reception part of the story. He would also obtain a familiarity with all the finance of the department, and the management of it in the hands of those officers that were at a distance. Could not we manage the deputy by telling off for that duty one of the political clerks who would pass through your department, not necessarily confined to it all his life, but he would pass through it as he now does through the commercial department?—The objection to it is, of course, that it takes a lifetime to know all the details of my department. I do not think that any man coming in and staying, say a couple of years in the department, would be of much service. You want a man who has experience, who is acquainted with all the intricacies of the work of the department. If you could find a man who would go into the department and be content to stay there (as I have been content to remain there) for the rest of his official life, all well and good. In the process of time he would learn his business; but if he only came in for a couple of years he would hate it and only be too glad to get out of it again.

26,411. Might not that argument be just as well urged in the commercial department, that if once in, a man should never go out of it. Do not you want that the men in the political department, especially if they come to the top of it (if they become assistant secretaries, and so on), should be familiar with every part of the Foreign Office, and be able to call all the officers to account that are under them, and to know whether they are performing their duties or not? Is not a man a good deal stronger when he gets up to the top of the office if he is familiar with every part of it?—That I grant, there is no doubt about that.

26,412. Supposing that you had a man for some three or four years in that office, one of the political clerks who represented you for purposes of reception, would not that answer the condition of having a gentleman at hand to receive visitors, and so on, and would not that give him very useful experience?—I do not know how he would like being called into my room 20 or 30 times in the course of the day. I should not be content with a mere ornamental assistant, I want a working assistant.

26,413. (*Mr. Lawson.*) Are any of them ornamental?—I should think that if a man is only there for the

Sir F. Alston, K.C.M.G.

13 Nov. 1889.

purpose of receiving visitors the more ornamental he is the better.

26,414. (*Lord Lingen.*) I think we should find a good deal of difficulty here in supposing that you wanted supplementary clerks as distinct from lower division clerks, on the theory that a supplementary clerk would be capable of receiving visitors properly and a lower division clerk would not. If any such distinction as that is necessary, one would think that it would be best by passing one of the political clerks through your department?—It may come to that one of these days. I should not advise that anything of the sort were attempted now, because so long as I am there, and so long as my first assistant is there, it would be a thousand pities to disturb the present arrangement.

26,415. We are speaking of filling up the vacancies?—It is a question to be considered.

26,416. (*Mr Fowler.*) I see that the first-class clerk in your department has a maximum salary of 600*l.* a year?—Yes.

26,417. Is that work higher or lower than, or equivalent to, the work of the assistants who get 800*l.* a year?—It is not political work.

26,418. Pardon me, whether it is political or not is not my question. Is the intellectual exertion or intellectual character of that work superior, or inferior, or equal to the work performed by the assistant clerk?—That would be a matter of opinion.

26,419. Is not the work which your first-class clerk has to perform equal to the work which the assistant clerks have to perform?—They say comparisons are odious; I have a very high opinion of the character of the work he performs.

26,420. Now we will go, if you please, to the librarian's department. The memorandum which has been supplied to us states that "the library has the custody, "arrangement, and registering of the manuscript cor-"respondence and of the printed library, and where "memoranda of historical events and international "cases, &c. are prepared." Now is there any other work done in the library but that?—That is the general description of the work; the work embraces almost everything. The librarian has the custody of the papers printed, as well as manuscript. We get all our information on historical matters, on international questions, questions of treaties, boundaries, and so forth from the library, or rather from Sir Edward Hertslet, who is the head librarian.

26,421. I presume that in a case of that sort, where you want information upon a treaty, or where you want memoranda prepared, that would be the work of Sir Edward Hertslet?—Yes.

26,422. Now, I should like to ascertain what the four third-class clerks, and the two second-class clerks, and the two first-class clerks have to do. Irrespective of the librarian and the sub-librarian, there are 10 clerks in the librarian's office at very high salaries?—I think you mentioned the sub-librarian.

26,423. Yes, and I will assume that he is an able man, of course?—He would be employed also on memoranda. The two first-class clerks in the librarian's department no doubt would be also employed on memoranda. There are two second-class clerks, and there are four third-class clerks. There is what is called a reference room, where the papers are kept, and these clerks will be in that room to put their hands upon any paper that may be required. Then a certain number of them would be on the registry. Then these clerks who are on the registry, say for six months, come to the reference room to do reference work, and the clerks who are in the reference room go into the registry, and they interchange in that way.

26,424. Would there be any difference in the ordinary work of the librarian's department, I am excluding the memoranda, between what would be done in the librarian's department and what is done at the Bodleian at Oxford or at the British Museum library in London?—The Bodleian library is a printed library only.

26,425. There are a great many manuscripts there, if you will allow me to correct you?—Yes, but you cannot compare the two.

26,426. I do not think you can. I think I am, perhaps, approaching it from a different point of view?—The work of the library is not merely shifting about papers and arranging papers; it consists of work incidental to the duties assigned to the head man, Sir Edward Hertslet. If, for instance, he is required to write a memorandum on any subject he would employ his assistants in getting the information for him.

26,427. I am admitting, for the sake of my question, that a librarian, a sub-librarian, and two first-class clerks are all exclusively occupied in this memoranda work?—They are more or less.

26,428. Are we to understand that the memoranda that are written in the Foreign Office require more than four highly-paid public officials?—It is a question which really Sir Edward Hertslet could answer better than I can.

26,429. You are responsible to Parliament for the preparation of the estimates, and I am now on the estimates, and I ask you, as a responsible official, what is the nature of the work which those gentlemen perform. We have got it in the memorandum submitted to us that they have the custody, arrangement, and registry of the manuscript correspondence and of the printed library. Therefore I take it that the library at the Foreign Office consists, as it does at Oxford or in London, of a manuscript department and a printed department. I take it that every book has to be catalogued and taken care of, and that all correspondence has to be registered. Now I want to know what other work the six clerks perform except that of registering, cataloguing, taking books out, taking manuscripts out, and putting them back again into their places?—I am sorry not to be able to answer the question more definitely. I wish I could, but I think it would be only fair that Sir Edward Hertslet should be allowed the opportunity of answering it.

26,430. Then you would not, I suppose, be able to answer any questions as to the state of the register in the librarian's department?—Generally, I think, I can answer such a question.

26,431. We know, in fact, that the registry was so far in arrear that the Foreign Office had to apply to the Treasury to have a large number of extra clerks employed?—Yes.

26,432. Will you please tell us the circumstances which led to that application?—That was the result of an establishment quite inadequate for the duties which it was called upon to perform. The establishment of the librarian's department was fixed in 1842, and with the exception of two clerks who were added in 1868, it remained until two years ago upon the same footing that it had been between 40 and 50 years before. In the meantime the correspondence had quadrupled, and an establishment which was competent to deal with 20,000 papers was perfectly incompetent do deal with 80,000.

26,433. What is the average number of letters and despatches a day at the Foreign Office?—It reached its maximum in 1886, when the numbers were 83,960; you may say 84,000, in the year. Then the number went down in 1887 to 76,106, and for last year it was 75,702.

26,434. Taking it in round figures, it would then be a very fair average to say that there are 1,500 despatches and letters per week?—I daresay that is so. In 1842 the number of despatches was 23,700.

26,435. Exclusive of the librarian and sub-librarian and a first-class clerk, what is the entire staff employed in the library; is it four second-class clerks, four third-class clerks, and four lower division clerks?—Yes.

26,436. There are 12, then?—Yes; but it will be observed from a note to the estimates that two of the clerks of the second class, though for estimate purposes classed as librarian clerks, are permanently employed, the one in the commercial and the other in the treaty department. The total number of second and third class clerks, with the four lower division clerks, is therefore 10.

26,437. As I understand it, documents do not come to the library for registration until, at all events, one or two years after they have been registered in their departments?—They come in in about a year and a half or two years.

26,438. The registration in the department, I suppose, shows completely the nature of the document, and is an index as to whom it was from, and its date?—It is a most elaborate register of the contents of every paper, and then there is an index besides.

26,439. Is every despatch and letter registered in the department?—It is registered, but not in the sense in which the librarian registers it afterwards; it is a

totally different registry. If a despatch comes in from Constantinople of a dozen sheets it may refer in the course of it to a dozen important incidents. In the daily diary the number and the date of the despatch, and the date of its receipt, would be entered, and if its primary subject were, say, disturbances in Armenia, and it were consequently wanted in a hurry, perhaps "Commotion in Armenia," or something of that sort, would be all that would be put down; but when the librarian registers it he will not be content with recording "A commotion in Armenia," but would register all the important incidents, and names of persons and places in the despatch. The registry, in fact, is done over again in a more amplified form.

26,440. It is a different register altogether?—Yes, and much fuller.

26,441. And therefore, although two years or one year elapses before the document reaches the library it is then a complete new registry?—When I said that the papers came into the librarian's hands in one or two years I did not mean you to infer that it would be possible for the librarian to commence to register the papers in one or two years. They come into the library, and the next thing that happens is that they have to be bound in volumes under a certain classification. That binding, you may say, generally takes a twelvemonth before it is finished. It is done on the premises. I believe that the librarian cannot commence to register correspondence until after about four years have elapsed.

26,442. Very well, say four years; but when the despatches and letters have got there and have been bound, then the work is simply the registry and a complete précis of its contents?—Yes.

26,443. As chief clerk have you considered the question whether the library staff was insufficient or superabundant?—I feel that Sir Edward Hertslet is a man who is far better qualified to offer an opinion on the subject than I can be. I should take Sir Edward Hertslet's word at once if he told me that his staff was insufficient. I should believe him at once. I feel that not only is he a most conscientious man and a most admirable public servant, but that he knows far better than I do what the men can do in the matter. I have a memorandum here which shows that the number of despatches received in 1886 was 84,000. In this memorandum Sir Edward Hertslet makes out, excluding the Sundays and the holidays, that there are 256 working days in the year. We have therefore 84,000 divided by 256, which gives 328 despatches to be registered and indexed daily. This memorandum is dated, by-the-bye, in 1886, before the lower division clerks were added: "The number of clerks engaged "on the register is five. Each clerk can register 60 "despatches daily." I should mention that Sir Edward makes that statement after communication with Messrs. Longman, who have great experience in these matters. "Therefore five clerks can register "only 300 despatches daily, leaving a deficit of 28 "despatches daily, or 7,168 annually; but, as in "the library the despatches are indexed as well as "registered, and each clerk can only register and index "40 despatches daily, the number of despatches so "registered and indexed would be only 200 daily, "leaving a deficit of 128 daily, or 32,768 annually. "To grapple with that, three additional clerks" (it should be four, I suppose) "would be required, thus "making the staff engaged upon the register and index "eight instead of five, as at present. The above, "however, leaves no margin for illness, or unavoidable "absence from other causes, or for being taken off "the register to be employed in other duties of the "department."

26,444. What is the arrangement between Sir Edward Hertslet and the Foreign Office with reference to the publication of treaties?—I have here a short memorandum upon that, which Sir Edward gave me last night. "Hertslet's Commercial Treaties. The "printing is paid for by the compiler and editor out "of his own pocket. No contribution of any kind is "ever made by Her Majesty's Government. They "subscribe, however, for 300 copies of each volume on "its publication through the Stationery Office." That is Sir Edward's note with regard to the commercial treaties.

26,445 Is that the arrangement that was always in force?—That is the arrangement in force. The present arrangement has always been in force.

26,446. Then you have in the Foreign Office the printing establishment?—We have.

26,447. Who has the control of that department; is it under you?—Generally speaking, it would be under me, but it is under the control of Mr. Harrison, who is a master printer. He has the use of the rooms.

26,448. And as I understand, he charges the ordinary printer's charges, and those are charged again by you to the various departments; the confidential printing of the Government being all done in the Foreign Office?—Yes, the greater part is done in the Foreign Office, but it is paid for by the Stationery Office.

26,449. Is it also true that you have got one typewriter?—We have.

26,450. Is that a satisfactory arrangement?—So far as we have experience of her, quite satisfactory.

26,451. Do you find it a more effective and a quicker mode of copying ordinary documents than by hand?—I think so.

26,452. Have you any shorthand writer in the Foreign Office?—We have not.

26,453. Not in the whole establishment?—Not that I am aware of.

26,454. I see that there is this note in the memorandum: "The post of translator of European languages "was abolished in 1886, and those translations are "now entrusted to three junior clerks." I suppose those are the first class junior clerks selected by competition?—Yes.

26,455. "To whom allowances, amounting in all to "292*l.* a year, are paid in lieu of the sum of 400*l.* "formerly paid for this service." Was not the original sum sanctioned by the Treasury 50*l.* a year to each junior clerk who did translation work?—That was for the exhibitions, was it not?

26,456. When the 400*l.* a year was abolished there was a translator at 400*l.* a year, and the suggestion was made that these junior clerks should do the work?—I am afraid that my memory does not quite agree with you upon that point. I think that there were three exhibitions of 50*l.* each, and when they undertook the translating we were to give them all we possibly could. The Treasury insisted upon no increase of expenditure being incurred. I think we found, after getting rid of our translator and compensating him on his departure, that we had so much left. I believe it was 292*l.* or something of that sort. Whatever it was, it was divided among these three clerks, and I must say that I think it is well earned.

26,457. Take the first class junior clerks, with salaries ranging from 200*l.* to 600*l.* a year, from whom the assistants are chosen; is it a *sine quâ non* that every first class junior clerk should be a foreign linguist?—I think every one should be.

26,458. Every one should be, but is every one?—Under the present system of examination he must be, I think. I do not see how he can avoid being a linguist.

26,459. Then may I take it from you that in your judgment a first-class clerk on the establishment in the Foreign Office ought to be able to write and to read, say, French, German, and Italian?—Certainly, it would be very desirable that he should, but German is a difficult language, as I daresay you know. A man may have a sufficient knowledge of German to be able to pass the examiner, and yet if you have a difficult paper, even taken out of a newspaper, and more particularly when it refers to technicalities, you would require much more than a general knowledge of German to be able to translate that properly.

26,460. Do not you think that every first-class clerk in that office drawing these high salaries ought to be capable of doing that work?—It would be very much better if he were capable, but I should doubt whether any young man, unless he submitted himself to a special course of study after his entering the Foreign Office, would be so. The young men who come up for the Foreign Office must be admirably prepared or else they would not pass the examination; but there is such a thing as cram—we all know that—and after a young man gets into the Foreign Office try him at the end of 12 months, say, and see how much of that cram he recollects. If you can persuade him to keep up his knowledge of the language, if you can give him a temptation, an inducement rather I should say, to continue his knowledge of the language, I think it would be a very great gain to the Foreign Office.

26,461. Do not you know that in a large number of mercantile establishments in London and elsewhere it

Sir F. Alston, K.C.M.G.

18 Nov. 1889.

is an essential that certain clerks should be perfectly competent to conduct the French, the German, the Spanish, and the Italian correspondence?—Probably they have foreigners for the purpose.

26,462. Young men must be able to write and to read those languages or else they could not obtain those situations?—Of course there may be technicalities which a man may be able to get at. If I were engaged in a stockbroker's office there would be some expressions that I should soon find the equivalent for in German, and I should be able to convert those expressions into German; but I do not suppose the correspondence is of a very lengthy or intricate character; I do not know. I never was employed in the City in my life.

26,463. Do you know whether it is a *sine quâ non* in the German Foreign Office that every confidential clerk there must be able to read and write English?—Very likely it is so. At the Foreign Office we have made very great progress. When I was young very few people learnt German thoroughly; I was, perhaps, in this respect an exception to the general rule.

26,464. At all events, what we have got as a matter of fact is this, that three of these junior clerks have to be paid an extra compensation, which you think is well earned, in order to translate foreign documents for the use of the Foreign Office?—They were a substitution for a translator, and the time may come when every young man in the Foreign Office will be such an admirable German and French or Italian scholar that he will be able to do it for the very love of the thing. At present, and so long as the authorities insist upon Latin and give to ancient Greek a value equal to that of some of the modern languages, I really do not see how you can expect to get such a result.

26,465. If you were constructing an ideal Foreign Office examination would you give a greater prominence to knowledge of the modern languages and a less prominence to knowledge of the classics?—Most assuredly I should.

26,466. (*Chairman.*) Are you quite right in saying that Greek is insisted upon?—Greek is not obligatory for the Foreign Office, it is optional, and a young man who knows Greek can throw Italian aside. Lord Salisbury had a very strong view upon the subject, and we approached the Civil Service Commissioners upon it. We asked them whether they were inclined to drop Greek and they said no.

26 467. (*Mr. Fowler.*) We know what the opinion of the Civil Service Commissioners is, but I want your opinion, as a competent and experienced officer, whether it would not be a greater advantage to the public service that the clerks in the Foreign Office should be able to speak or write Italian or German instead of Greek?—Unquestionably so.

26,468. Now let us turn to the Estimates, page 105. You will observe there that you have got one private secretary to the Prime Minister at 400*l.* a year and an assistant secretary to the Prime Minister at 250*l.* On the next page you have the private secretary to the Secretary of State, 300*l.*, and a prècis writer to the Secretary of State, 300*l.* How have you got the Prime Minister's private secretaries charged on the Foreign Office Vote?—The Treasury thought it the most convenient arrangement. It had to be charged somewhere.

26,469. It was not your doing; it was the doing of the Treasury?—It was the doing of the Treasury, certainly.

26,470. Therefore you have now charged upon the Foreign Office Vote for the first time, in addition to the private secretaries of the Secretary of State, the private secretaries of the Prime Minister?—But we have the honour of having the Prime Minister as Foreign Secretary; he is not First Lord of the Treasury.

26,471. Those two gentlemen who are private secretaries to the Prime Minister of course are not members of the Foreign Office staff?—They are not.

26,472. And they are not engaged on Foreign Office work?—No.

26,473. But the other secretaries are Foreign Office secretaries, are they not?—Quite so.

26,474. (*Mr. Lawson.*) We were told yesterday that you are more or less responsible for the whole of the establishment of the Foreign Office?—Yes.

26,475. I should like to ask you, with regard to these clerks on the diplomatic establishment, whether, as they pass through the different departments, you come in contact with them in the early part of their careers as a rule?—As chief clerk I do not come in contact with them, because, as I explained some little time ago, I am not responsible for the conduct of the political division. It rests with the Under Secretary of State.

26,476. Were these clerks, when they entered the Foreign Office, allotted to one of your departments so that they might have some knowledge of the work?—Are you referring to the political departments?

26,477. No. Do not these clerks pass through one of the departments with which you are immediately concerned?—No. My department, the chief clerk's department, in that respect is on a different footing from the commercial department and the consular department. The commercial and the consular departments are manned for the most part by members of the political division. They have one or two lower division clerks besides, but the consular and commercial departments belong to the political division, whereas the chief clerk's department does not.

26,478. But they do not belong entirely to the political division, because you find in them clerks who are not privileged to rise to confidential rank?—Quite so, they are supplementary clerks.

26,479. Do you know anything of these clerks on the diplomatic or political establishments?—I know them in the same way that I know the other clerks. I necessarily know them as being in the same office with them, but their competency or otherwise does not come before me; it is no business of mine.

26,480. Then you cannot express an opinion as to the work that they do?—Officially, I cannot; it would not come before me.

26,481. In the comparative statement submitted to us of the department before and after re-organisation, I see there is only a reduction of one in the number of these political clerks?—It is more than that.

26,482. I do not think so. Before the re-organisation there were 10 first-class junior clerks, nine second-class junior clerks, and six third class. There are now 20 first class and four second?—Yes, but we reduced the number of senior clerks.

26,483. I am dealing only with this class. The number that existed before re-organisation was only reduced by one, and the salary was raised at the same time?—We had 40 clerks before, and now we have only got 36; that is a reduction of four clerks.

26,484. You are taking the whole of the establishment. Would you be prepared to say at the present time that there is not, in the departments in which these gentlemen are exclusively employed, work which could be done by the average lower division clerk so far as its intellectual requirements are concerned?—How would you propose to deal with the work? Do you propose to take a despatch and say "This is not confidential, I will take this out of the room and let somebody else deal with it." It would not work.

26,485. Are not a great number of these gentlemen employed solely in doing copyist's work?—They have to begin; it is a part of their education to copy despatches in the first instance. When I was a young man there was an enormous amount of copying, but I do not think there is the same amount of copying now.

26,486. Do you believe that they are at the present time, during the first years of service, at all events, fully employed?—I should say so. Certainly they are.

26,487. For six hours daily doing genuine work?—Sometimes much more, sometimes less. I cannot say that the work is continuous; the work is not continuous; it is heavier to-day and lighter to-morrow, it is not continuous from day to day.

26,488. Do you believe that by the system of examination under which these gentlemen enter you obtain as good a class of men intellectually as are obtained from the first-class examination for the rest of the Civil Service?—I have a very small experience of what the result of the latter has been, but I have always supposed from the fact that the Treasury came and stole two of our own clerks away that they were not quite satisfied with their experience on the subject.

26,489. Are you aware that the open examination is a more difficult one, in point of subjects?—I should be disposed to doubt that. I have not got the regulations

for the examinations before me, but I can conceive nothing more severe than the examination for the Foreign Office, especially considering the manner in which the candidates all come up equally prepared.

26,490. In the first place the competition is less severe because they are a few nominees chosen from a list?—If you have a dozen nominees ——

26,491. Only eight, I think, is the number?—Twelve went up this very week for one vacancy.

26,492. Do you know how those 12 were chosen—on what grounds?—That is a matter between Lord Salisbury and his private secretary, about which I know nothing at all.

26,493. Entirely?—Lord Salisbury was good enough to offer me one for my second son, but I was frightened at the examination, and I am keeping him in reserve for another occasion, that is all I know about it.

26,494. Is it the practice—I ask it without any reference to your own case—to offer these nominations to public servants in the employ of the Foreign Office?—I should say that the services of old public servants would be considered in a matter of that sort, but unfortunately it is not always that old public servants are in a position to take advantage of it, because unless your means are such that you are able to give your son an education fitting him for such a post he, of course, will run behind.

26,495. Yes, but we all know it is a matter of cramming to a great extent?—It is, as you say, cramming to a great extent.

26,496. While everybody would acknowledge the services of the old officials in the Foreign Office, do you not think it is rather anomalous that they should have opportunities given them that public servants have not in other departments with regard to nominations for their sons and other relatives, although the others may have performed equally good service in other departments?—In the result I think there are only two or three young men on the diplomatic establishment of the Foreign Office whose fathers were in it.

26,497. As a matter of fact do you attach very great importance to this system of nomination as a test of character?—If you mean as between limited competition and unlimited competition I do, certainly.

26,498. With your experience of the public service do you believe that by the open system of examination for the higher division of clerks you would get men whom you could entrust with the most confidential work that is done in the Foreign Office?—I have no experience of unlimited competition to enable me to answer that question confidently, but from what I know of human nature I should be disposed to doubt it, and certainly what I mentioned just now with regard to the experience of the Treasury does not seem to point in that direction.

26,499. When these gentlemen are taken away and sent, as Mr. Spring Rice is at present, on commission to different parts of the world, who does their work?—Somebody else has to do it of course. It is just the same as when you go on leave, somebody else has to do your work.

26,500. Does not that show that when the establishment is full and the clerks are all at the Foreign Office (and remember these Commissions are only occasional), there is rather an excess of clerks?—I remember some years ago when Lord Hammond was examined before one of the parliamentary committees, he mentioned that the establishment was advisedly constituted so that two clerks should always be employed abroad. You will find it somewhere or other in one of the reports of the parliamentary committees.

26,501. Is that the case now? There are two Commissions at present I know, but is it the case that you have two clerks always employed on these Special Commissions?—We have two now, and I should think that is the case pretty generally. The number might be even more at times.

26,502. (*Mr. Freeman Mitford.*) I think you have two abroad now, Mr. Austin Lee and Mr. Spring Rice?—There are three as Mr. Wylde has just gone abroad on a Special Commission.

26,503. (*Mr. Lawson.*) Take the case of one of the clerks who is at present in Paris, is his place regularly filled up during his absence?—The work which he would otherwise do is performed by somebody else. I cannot answer the question off hand, but I have no doubt you would find that some attaché or second secretary or third secretary from abroad has been brought in to work at the Foreign Office. We have more than one certainly at this moment working at the Foreign Office.

26,504. Is that the case with regard to one of the present instances?—Yes, there is an interchange of duties.

26,505. But that does not take place when there is a special commission like the American Conference at Washington?—It was not anticipated that the Washington Conference would last so long. We encourage the employment of our men abroad. We think it is for their advantage and for the advantage of the Foreign Office also that they should be employed abroad.

26,506. Before you employ them abroad do you make any inquiry as to their means. The want of means, as we know, is a disqualification for the diplomatic service. Do you, when you send your own clerks abroad, say to them, "Have you the means to accept the appointment"?—They always have an outfit allowed them.

(*Mr. Freeman-Mitford.*) Not when they exchange.

26,507. (*Mr. Lawson.*) What does an outfit mean?—If a young man goes abroad he has, to begin with, to purchase a uniform. He cannot go to a foreign court without having a uniform.

26,508. Is that allowed him?—It generally takes the form of 100*l.* or it may be 200*l.*, as an outfit. That is to cover his uniform and everything else.

26,509. (*Mr. Freeman-Mitford.*) But that is only if you send him out specially, not if he exchanges, is not it?—Yes.

26,510. (*Mr. Lawson.*) Is there any other class of clerk in the whole of the Civil Service who gets a special allowance of this sort for uniform?—I do not know. You see it is obligatory if you send him to Washington or to any other court, he must have a uniform.

26,511. Where would an allowance of this kind appear in the estimates?—It will not appear in the estimates, it will appear in the appropriation account.

26,512. How much do you generally allow in the year for these outfits?—That will depend upon circumstances, upon whether anybody is sent out. There is no special provision made in the estimates for it.

26,513. (*Mr. Hanbury.*) I understood you to say that as a rule you send out two or three every year, so you know you are going to send them out, therefore why do not you put it in the estimates?—We do not send them out on purpose, only if the case arises.

26,514. But on an average you send out two or three in the year, why is not that shown in the estimates?—I can only say that the appropriation account would show it.

26,515. (*Mr. Maclure.*) I did not understand you to say that you always send out two or three in the year?—We do not always send out two or three in the year.

26,516. (*Mr. Lawson.*) Are these clerks always of the political establishment?—On one occasion, many years ago, I remember it was when Mr. Cave went to Egypt, one of the clerks in my department was attached to that mission, which was considered to be a financial commission of inquiry.

26,517. As a matter of fact you appear to allow the supplementary clerks to be attached to a special mission although they could not be entrusted with the confidential work of the Foreign Office?—In the case to which I have just referred it was necessary to have an expert on financial questions, and therefore one of the clerks in my department was sent out.

26,518. Would not that work be just as confidential in its nature and involve just as great interests as most of the confidential work at the Foreign Office?—If there was any risk, the risk had to be run; we had to send somebody out.

26,519-20. I do not say you were wrong to run the risk; but then I want to know what becomes of the guarantee of character which you consider you get in the case of your political clerks?—He was sent out simply because we wanted to attach a capable financial man to the mission.

Sir F. Alston K.C.M.G.

13 Nov. 1889.

26,521. (*Mr. Maclure.*) And because you had, I presume, the greatest confidence in his moral character?—Yes.

26,522. And because he was the best one that you could select in the whole of the Foreign Office to fill that post?—Yes.

26,523. (*Mr. Lawson.*) Is it really believed at the present moment that by this system of selection you get in the Foreign Office men of family, and that these men of family, to use a common phrase, will necessarily be men of particular integrity?—I do not wish to suggest that you find integrity only in one class of life. I am speaking of a variety of other qualifications which have to be considered.

26,524. Do you think it is necessary to put this absolute bar, because that is the whole end of our questions, to the admission of clerks to the political part of your office?—My answer to that question is this: that I have been in the Foreign Office for 50 years, and that I have that opinion of the Office that I should be sorry to see any endeavour made materially to modify its present character. Improve it if you can, but do not assail the Foreign Office in essentials, because it is, in my judgment, about as perfect a working machine as you can get. We know there is nothing human that is perfect, but taking the office all round, and knowing as I do from long experience the capacity which it shows for dealing with any and every sort of work, I say do not meddle with it if you can help it; that is my decided view.

26,525. Is it your view that you can neither decrease the upper part or the political part of the establishment, nor alter the conditions of service?—I do not know about the conditions of service.

26,526. Take the conditions of entrance?—The conditions of entrance are exceedingly severe, and I think it is an advantage that the Secretary of State should have an opportunity of making inquiries beforehand with regard to the young men whom he nominates.

26,527. I think you said in some part of your evidence that it would be an advantage if these lower division clerks had some opportunity of promotion. Do you contemplate the creation of any staff offices in the Foreign Office at the present time, for which they would be eligible?—The question is not immediately before us, but it is one that cannot be put off for all time; it is a question that must come up, and will have to be decided in some form or other. I am not sure whether it was the chairman who suggested or whether I myself did so, but possibly a means might be found in giving promotion to deserving officers in substitution for the class which is now called supplemental. I know of no other way of giving them promotion than that.

26,528. Do you believe that it would be advisable with regard to the part of the office with which you have to do to prolong the hours from 6 to 7?—That is a question which we have all been discussing with great anxiety for the last two or three years. I need not say that whatever this Commission may recommend it will be our duty to pay the utmost respect to; and if any regulation with regard to certain hours is embodied in an Order of Council, there is, of course, an end of the question. I believe the opinion of those most competent in the Foreign Office to judge is that the work of the Foreign Office is not such as can be measured very well by time.

26,529. From the point of view of public convenience, you believe that the commercial department, for instance, should be opened a little earlier in the day?—The commercial department is opened earlier; it opens at 11.

26,530. Do you think that it might be with advantage opened an hour earlier than that; would not 10 to 5 be better hours than 11 to 5. Then there is the passport department?—The passport department is open at 11, and remains open for six hours. As far as the passport department is concerned, there is no doubt that six hours is ample. The British public can get any number of passports they require during those six hours. There can be no advantage in keeping the passport department open longer, though in a case of pressing necessity appeal can always be made to me until a later hour. With regard to my own department it is a very difficult question, it appears to me, to know how to arrange it all. The book-keeping branch of my department opens at 11 and closes at 5. The other branch of the office opens at 12, and the men go away at 6. They all attend most punctually; as the clock strikes 12 they are there with the exception of those who come at 11 or half-past 10. Knowing that I was coming here this morning I was at the office before 11, and somewhat to my surprise I found one of my young men hard at work at 11. I said, I suppose you have come here because you thought I was coming. He said no; on the contrary, I had a vast arrear of work which I could not get through, and so I came here at half-past 10; that was the reason he gave me. They all go away punctually at 6 o'clock, and I am very glad when they are gone, because until they have gone it is almost impossible to attend to a variety of matters myself. I find the most valuable time for me is between 6 and 7 in the evening, when I do all the writing that I cannot get through in the course of the day.

26,531. (*Mr. Maclure.*) Then would not 11 to 5 suit you better?—If you require me to attend at 11 o'clock I should still have to stay till a quarter past 7, as I do now.

26,532. If your subordinates came from 11 to 5 would not that suit you better than their coming from 12 to 6, supposing you did not get there at 11?—If they came at 11, I should think it my duty to come as near 11 as I could, but I should still have to stay after they had gone.

26,533. (*Mr. Lawson.*) I believe the printing is nominally under you. Are any steps taken to revise prices from time to time by the Stationery Office?—A couple of years ago there was a very strict revision made. I think that the printer declared they had cut him too low, but he still survives.

26,534. (*Mr. Maclure.*) Do you consider that the nominations for the Foreign Office should be made by the foreign minister independent of the nominees having handles to their names or anything of that sort?—That is my opinion.

26,535. You remain firm on that?—I do.

26,536. Do not you think that every clerk and every officer in the Foreign Office ought at the end of 18 months to be perfectly conversant with at least two languages? Having regard to your answer about the cramming, which enables them to get in, ought they to forget a great deal by the end of 12 months. Do not you think at the end of 12 or 18 months a man ought to be able freely to converse and freely read both French and German, or French and Italian, or some other two languages?—I should be sorry to suggest that they could not.

26,537. Ought they not to be competent to do it?—You may have a literary acquaintance but not a colloquial acquaintance with a language. I am not sure that you can expect what you suggest. It was for that reason that I, for one, was very glad when this translation arrangement was made, because it keeps those three men up to the mark, and we can depend upon them.

26,538. Still, you think yourself, do you not, that it would be an advantage if they had that knowledge?—Certainly.

26,539. One of the objects, is it not, of allowing this exchange from your office with an attaché abroad is to familiarize a man in your office whom you know to be a useful officer with the language of the country to which he is sent?—Certainly.

26,540. (*Mr. Hanbury.*) Has there been an increase or a decrease in the cost of the Foreign Office itself during the last few years?—I have a paper here comparing the figures for 1869–70 with the figures for 1887–88. The net expenditure of the Foreign Office for the year 1869–70 was 63,079*l.*, and for the year 1887–88 it was 68,409*l.*

26,541. What was the cause of the increase?—In 1869–70 the salaries and wages amounted to 40,114*l.*, and in 1887–88 they amounted to 47,062*l.* The increase was 6,948*l.*, and it is accounted for as follows:—First, by the annual increments. Secondly, by the transfer of the salary of the Oriental translator, and allowance to the Under-Secretary for management of the Secret Service Fund to the Foreign Office Vote in 1874; 700*l.* is thus accounted for. These are two charges which Mr. Rylands objected to being charged to the Secret Service Fund. Thirdly, the transfer of servants' wages from incidental expenses to salaries, that is 674*l.* Fourthly, the appointment of an additional Under-Secretary of State, 1,200*l.* to 1,500*l.* Fifthly, the salaries of two private secretaries to the Prime Minister while

holding the appointment of Foreign Secretary; that is 650*l.*, but that is a temporary addition. Then allowances of 150*l.* each to two junior clerks as private secretaries to the permanent and parliamentary under-secretaries.

29,542. Did not the under secretaries have private secretaries before?—No.

26,543. How long have they had them?—The appointments began with Lord Tenterden about 15 years ago. Then, to continue my answer to your former question, there is an allowance of 100*l.* to the senior clerk in the Commercial Department, that is, to Mr. Kennedy; it is a special allowance. Then, there is the appointment of a clerk to the library at 250*l.* to 360*l.*; he is more especially assigned to the care of the printed library. Then, a clerk employed in the Commereial Department, that is Mr. Maycock, has an extra allowance of 100*l.* year. Lastly, there is an additional supplemental clerk to the Treaty Department at 100*l.* a year.

26,544. Apparently the staff has remained about the same during those years, and there has been no large increase?—No, there has not. To go on with my figures, there has been an allowance made to the reader in the Printing Department of 2*l.* a week. Then we make provision for extra copying 100*l.*, which we do not spend, and then there is a porter in the library at 60*l.* to 80*l.*

26,545. Take such an extra allowance as that which I see is paid to the Permanent Under-Secretary of State for the management of the Secret Service Fund; is that a new payment, or has that been paid for many years?—As I was saying, that is the allowance which formerly was charged to the Secret Service Fund.

26,546. That is, he was paid out of the Secret Service Fund, but now the payment is recognised, and put on the Votes instead?—Yes.

26,547. Is any part of the increase due to the compensations on abolition of Foreign Office agencies, or have they been going on all that time?—They have been going on ever since 1870.

26,548. What was the history of those compensations and abolitions?—I thought possibly I might be asked that question, and I have brought with me our case as laid before Parliament in 1868.

26,549. I do not think you need read it?—The circumstances were these:—that from time immemorial there had been the institution of Foreign Office agencies. Nobody can trace their origin, they may have been in existence before the Flood for all I know. They were legalised by Order in Council in 1795, and were put under special regulation by Lord Castlereagh in 1816. They were inquired into by a Committee of the House of Commons in 1837, I think, and they were the subject of inquiry by a further committee in 1858. They survived all these inquiries. At last, about the year 1868, it begun to be thought that they were not quite in accordance with modern views, and they were talked about outside, and all sorts of bad things were said about them which I need not tell you was not the case.

26,550. What were these agencies?—Every man employed abroad had an agent in the Foreign Office, the agencies were in comparatively few hands. I was one of the agents, and Sir Edward Hertslet was another. It did not suit the purpose of any person who desired to be employed abroad to accept such an office, because of course it prevented his going abroad. The business of the agent was to draw the salary of his principal; he deducted a percentage from it and paid it over to his principal's banker, or if the salary was very small, his principal was allowed to draw for it on the agent who executed all sorts of little commissions for him.

26,551. In fact they are army agents on a small scale?—Precisely so.

26,552. Do these compensations run only as long as the late agent remains in the Foreign Office or for life?—I wish they did run for life. They only run as long as we remain in the Foreign Office.

26,553. And there are only two left?—Yes.

26,554. Coming to the question of nominations, can you tell me what has been the practice in the Foreign Office with regard to nominations, as to the number of persons who have been nominated for a vacancy?—When it commenced they were limited to three, and then they got up to six, and then they got up to eight. For the vacancy which is being competed for at this moment, there are 12 men up.

26,555. When you say they were limited to three, was three the utmost; and might there not be fewer than three?—There never were fewer than three.

26,556. How long has it been the rule to have at least eight, we will say?—Since the passing of the Order in Council of 1870.

26,557. What is the Order in Council of 1870?—That is the Order in Council further dealing with the examinations which were made compulsory under the Order in Council of 1855.

26,558. Did it say nothing about the number of nominations?—No.

26,559. As I understand it, the Secretary of State has a perfectly free hand, and he may nominate either two or 20 if he likes?—Of course, he may nominate either two or 20, but no Secretary of State at the present day would think of nominating less than six or seven. I think public opinion would be too strong for him.

26,560. How is public opinion to get any influence?—There is a strong public opinion in the Foreign Office itself.

26,561. Is the opinion in the Foreign Office rather in favour of increasing the number of nominations for a vacancy?—I am speaking, not as a member of the Foreign Office, but as one of the public. I think if you want to get the best men you must have a sufficient number to choose from.

26,562. Do you think 10 or 12 a sufficient number?—I think that a competition between 10 or 12 picked men is much more severe than an open competition where you might get one or two very good men and the rest might be all poor creatures.

26,563. Do you think there would be any harm done if there were a rule laid down to the effect that there should be 10 nominations at least for every vacancy?—There is a rule on that; it is not a written rule, but I consider that practice has sanctioned the rule sufficiently. I never for a moment imagined that a Secretary of State would send up less than eight, even if he went so low. You might nominate say a dozen, but then perhaps all the dozen may not come to the scratch at the last moment.

26,564. Within recent years have the Secretaries of State ever nominated one only?—Not since 1857, that is a long time ago now.

26,565. How long is it since they began to nominate as many as six?—On the passing of the Order in Council. I should tell you that the examination in the first instance was of the most trivial character. It required the power of translating French, and arithmetic, and something of that sort, Then, on the passing of the Order in Council of 1870, the Commissioners wrote to the Secretary of State, who was then Lord Granville, proposing that the examinations should be considered and brought up to the requisite standard. From that time it has been what you find it at the present day. You will see the regulation for these examinations in the Foreign Office List. I think it is pretty stiff.

26,566. Recollecting what you have said about foreign languages, can you tell me exactly how far the knowledge of foreign languages is required in the service of the Foreign Office proper for clerks who do not go abroad; do many despatches come in, for instance, in foreign languages?—There is a good deal of French. A knowledge of French is absolutely essential. Even the vouchers to the accounts in my department are to a great extent in French. If they are in some Oriental language we insist upon their being accompanied by a certified translation, but we cannot ask for that in French.

26,567. Then may I take it that a great many documents come into the office in French?—Yes.

26,568. Now, about German?—A great number come in in German. All the notes from the German Embasy are in German.

26,569. It is only lately that they have begun to correspond in German?—Some years ago they began it.

26,570. Since the Franco-German war?—Some few years before the German Empire was established.

Sir F. Alston, K.C.M.G.
13 Nov. 1889.

26,571. What other Foreign Offices correspond in their own language?—I should not like to answer that question off-hand, but we have Spanish, Italian and German of course.

26,572. Is French being used less by Foreign nations than it was, or more?—I think much less.

26,573. And other Foreign nations are employing their own languages in their correspondence with you more than they did?—Yes, they make a point of it.

26,574. Therefore there is more necessity, of course, for having clerks who can understand these foreign languages?—I should say so. I myself attach great importance to the knowledge of modern languages by clerks, and the more they know the more useful they are.

26,575. Have the examinations by the Civil Service Commissioners met these requirements? — To the extent of those three languages of course they have, but rather more than a year ago, there was a correspondence between Lord Salisbury and the Civil Service Commissioners. Lord Salisbury had reason to suppose that the Commissioners did not allow as many marks for a colloquial knowledge of the language as his Lordship thought was desirable, and that the Commissioners attached less importance to a colloquial knowledge of the language, than to a power of translating it grammatically. Of course this was an observation that applies, if you please, in a still greater degree to the attachés than it does to the clerks in the Foreign Office; but considering the *rapprochement* which has taken place between the two services of late years, I think I may say that it appears in the long run to apply to both equally. Lord Salisbury said that it was most important that they should have a thorough colloquial knowledge of the language, for even if they should not be able (of course that applied to the embassies abroad) to write quite grammatically, it would be possible for the finishing touches to be put to the notes by somebody else, before they were sent out. What Lord Salisbury conceived was required at our embassies abroad was that our young men should be able to mix in society and to pick up information, and that it was impossible that they should be able to do that, unless they had a thorough colloquial knowledge of the language of the country in which they were serving.

26,576. That applies to clerks who may be sent abroad and exchanged, but does it apply to clerks in the Foreign Office itself?—It does not apply equally, but of course it applies in a lesser degree to the clerks in the Foreign Office, because the clerks in the Foreign Office are all liable to be sent abroad, and are sent abroad from time to time. Just in the same manner as we have had instances of diplomatists who have served for about three or four years consecutively in the Foreign Office; for instance, there is Mr. George Buchanan, a son of Sir Andrew Buchanan, who has been serving some time at home, so on the other hand Mr. Austin Lee has been serving in Paris ever since Lord Lytton went out to replace the late Lord Lyons. Mr. Austin Lee is a man of superior linguistic accomplishments, and I have no doubt whatever that he has done an essential service in Paris, and has been most useful to Lord Lytton, and not only to Lord Lytton but to the public service generally. That will not be lost upon Mr. Austin Lee when he comes back to London. He will be all the better, because he will not only be competent to deal with foreign communications in the Office, but he will be also on good terms with the heads of the foreign missions in this country, which is also a consideration.

26,577. What language do the Russians correspond in?—They correspond in French, they do not correspond in Russian. I suppose they will in time.

26,578. Is the learning of Russian encouraged in the Foreign Office or by the Civil Service Commissioners?—I heard only yesterday afternoon of a wonderful instance of a young gentleman who acquired the Russian language in 16 weeks, during which time he was at St. Petersburg. That must have been a wonderful *tour de force*. I was told Sir Robert Morier reported this to Lord Salisbury, calling it a "linguistic feat," and I think it really was.

26,579. That again is outside the Foreign Office proper. I am talking of the qualifications of the clerks outside the Foreign Office in respect to those foreign languages?—Mr. Fairholme, one of our clerks, has received a certificate from the Civil Service Commissioners as translator of Russian, but I cannot say that I know at this moment of any particular reason why more than one man in the Foreign Office should know Russian, as he can do all the translating we at present require, but it would be an honour to others to know it, and I should think the better of them if they knew it, and one of these days it may be of great service to us certainly as regards translating. I believe that besides Mr. Fairholme two more of our clerks have already acquired a fair knowledge of Russian.

26,580. Now we have the fact that these foreign nations are corresponding more in their own languages? Yes.

26,581. When your despatches come in are they translated and read by the ordinary Foreign Office clerks, or do you have special translators to do the work?—We have three clerks, as I mentioned before, who are especially assigned for the purpose of making translations in these languages, Russian being one of them. They have to qualify before the Civil Service Commissioners.

26,582. They act specially as translators; do they do anything else?—Yes, they do their work besides. The translating is done out of office hours.

26,583. Is it paid for extra?—Yes.

26,584. If a clerk who is in the Spanish Department understood Spanish, there would be no need for a translator; but as he does not understand Spanish, and your clerks do not understand Spanish, you have not only to employ a clerk, but you have also to assist him with a translator?—You see the translator is an expert, and the other man may have a very good colloquial knowledge of the language, and yet he may not be able to translate some difficult document which may be full of terms, which it is the business of the translator to master. He probably will have to fall back upon a dictionary if this document is full of expressions which are not in ordinary use; but still it would be his business to do it. I know it was the opinion of Lord Lingen that the justification for these exhibitions was to encourage our young men to study languages. It was thought at the time the exhibitions were established that the result would be to encourage the study of languages. We went a step further—we abolished our translator, and we gave these young men—I forget exactly in what proportions the salaries are assigned—200*l.* or 300*l.* between them, and they are bound to do all these difficult translations for the office. I think it is a small matter, but it is a very good thing for the office.

26,585. Are the clerks in the Western Department, for instance, assigned to that particular department because they have any special qualification, or because they have any knowledge of the language of those countries?—No, I do not think that would be the case. The idea is that every young man entering the Foreign Office should in the course of time, and as opportunities offer, pass through the several divisions. He is for a time in the Western Division, where he acquires a knowledge of the business as carried on in that division. Then after a time (there is no fixed rule) he would probably be moved to some other division, when somebody might say, "I am overloaded with work, there is a sudden "influx of work; I must have additional assistance." That would go before Sir Philip Currie, the under Secretary. He would look over the list and say, a "Mr. A. B. has been for some time in the Western Division." Perhaps he has reason to suppose that the work of that Department is rather slacker at this moment; "I will let you have Mr. A. B." and Sir Philip Currie will send him upstairs in the other room. That is the way in which this work is done.

26,586. So that the idea in the Foreign Office is rather to give the whole of the clerks of the Foreign Office a general knowledge of the whole of the work, rather than to have clerks specially qualified to deal with particular countries?—Unquestionably, that has always been the view.

26,587. And of course the result of that, is that, although each country now is corresponding with the Foreign Office more in its own language, you have not got the clerks in these departments who can be independent of translators?—I do not think you can go quite so far as that, because, to begin with, you have a knowledge of these languages which they are bound to show evidence of when they go up before the Civil Service Commission.

26,588. By these languages do you mean French and German?—French and German and Italian or Spanish, which are alternative languages.

26,589. (*Mr. Lawson.*) Would you not say "optional" rather than "alternative"?—Yes, but a man is only too glad to take them unless he is very strong in Greek. If he has been at Oxford he may very likely take up Greek, but I would much rather that he took up one of these modern languages.

26,590. (*Mr. Hanbury.*) Assuming that he has taken up Spanish, we will say, as an optional language, he will get no particular benefit from it in the Foreign Office, he will be moved from post to post, from one division to another, and therefore his Spanish will probably be of no use to him?—Of course you must balance the good with the evil; there is no doubt that, for the general purposes of the Foreign Office, it is a great advantage that a man should have been right through the several divisions as far as it can be managed.

26,591. (*Mr. Freeman-Mitford.*) I believe the heads of departments are very rarely changed?—Very rarely.

26,592. (*Mr. Hanbury.*) On the question of the outfits, what does an outfit include besides this allowance for a uniform? Is there a fixed scale of outfit?—The outfit sometimes has been 100*l.*, and sometimes 200*l.* It is held that it covers, first of all, the uniform. I forget what the uniform costs, but it costs 60*l.* or 70*l.*, I suppose, all told. Then, probably, he has to fit himself out in other ways. He may be going to a hot climate, and his wardrobe must altogether be renewed. If he has to go to St Petersburg, for instance, he must have a fur coat, and a fur coat costs a lot of money. Moreover, whatever balance there may be is held to be a sort of gratuity.

26,593. Has it always been the practice that these outfits are not entered in the estimates, although you have some every year?—They are shown in the appropriation accounts. We hope the members of the House of Commons study those accounts. As far as the Foreign Office is concerned, I am very proud of them. Perhaps I may be allowed to say that no outfit is issued without Treasury sanction.

26,594. (*Mr. Lawson.*) Might I ask where they appear in the Appropriation Account for this year?—On page 131 you will see an item, "Junior clerk, first class, outfit as Special Commissioner to Hayti. 200*l.*" and another item, a junior clerk, first class, as acting chargé d'affaires, 77*l.* The latter was Mr. Conyngham Greene, whose transfer to the Diplomatic Service is now accomplished; but at the time, I forget the circumstances, somebody had to be sent out to act as chargé d'affaires at Darmstadt, and he had so much a day.

26,595. When a gentleman is appointed to the Diplomatic Service he receives no special allowance for uniform; therefore a Foreign Office clerk receives what the diplomatist would not?—The conditions are not altogether the same. The Foreign Office clerk begins upon a salary of 100*l.* a year, and an attaché has to serve abroad for two years without anything at all.

26,596. (*Mr. Hanbury.*) Is not that rather a reason for the attaché having the outfit instead of the Foreign Office clerk having it?—I have no doubt they would be only too glad to get it. The attaché is expected to have private means and the purchase of a uniform in his case is absolutely necessary.

26,597. (*Mr. Freeman-Mitford.*) Is not it the fact that the Foreign Office clerk takes service with you in order to do duty in London; but you send him out for the purposes of the Foreign Office to such and such a post, and inasmuch as that public duty would entail upon him an extra expense, you give him this outfit to meet that extra expense?—That is a very proper view of the case; that is what it comes to.

26,598. (*Mr. Hanbury.*) Then, on the other hand, could a Foreign Office clerk refuse to go abroad?—To say he could refuse to go abroad is going a long way; but I do not suppose that any Secretary of State would insist upon sending him abroad.

26,599. (*Mr. Freeman-Mitford.*) If a man were to plead poverty, would not the Secretary of State take that into consideration?—I think so. I am not sure whether it is not laid down somewhere or other that he may be sent abroad, but that I cannot speak to from memory. I am sure that in practice he would not be sent abroad unless he was willing to go.

26,600. (*Mr. Hanbury.*) Can you tell me what other items are mentioned in the appropriation accounts and not in the estimates?—*De minimis non curat lex.* We happen, in the course of the year, to have had one instance.

26,601. We happen to have very small items in the estimates?—Yes, almost too small, I think.

26,602. Are there any other charges of this kind, similar to outfits, which are paid by the Foreign Office, and which do not come before Parliament?—Except in the case of men employed abroad, there is nothing whatever.

26,603. Are there any other books that Sir Edward Hertslet has published besides those treaties?—Yes, there is Hertslet's Commercial Treaties; that is a work which has got up to 16 volumes. Besides that, there is what Sir Edward calls Hertslet's Treaties and Tariffs. I asked him last night what they were. I knew that they were thin books, whereas the others are very ponderous volumes. He said, "There are about seven of them." He says they are the treaties and tariffs regulating the trade between Great Britain and foreign nations, and the same remark applies to these books as to commercial treaties. The Government, however, have taken copies of each part hitherto published. In the case of the commercial treaties, the Government engage to take 300 copies, whereas, in the case of the smaller volumes, they take as many only as are required. In other respects, the cases are similar. Then I come to the British and Foreign State Papers, which is a work which has got up to 70 or 80 volumes. That is entirely a Government publication; Sir Edward Hertslet has nothing whatever to do with it except as editor on the part of the Government. The Government pay for the printing, and receive the proceeds arising from the sale of the books.

26,604. (*Mr. Freeman-Mitford.*) Does Sir Edward Hertslet receive nothing for it?—Nothing whatever.

26,605. (*Mr. Hanbury.*) Not even as editor. No; he found that his father did it before him, and he is continuing the work. I think I need hardly mention the Foreign Office List. That exceedingly useful publication is entirely and exclusively a private undertaking, for which Sir Edward gets nothing whatever, except from the sale of his copies.

26,606. It is well to know the facts; what are the facts about the Foreign Office List?—Sir Edward says it is a private undertaking, and the printing is paid for by the compiler out of his own pocket. The Government have never given the editor any subsidy towards it, although, many years ago, they gave the printer who then undertook the publication on his own account and sustained a loss by it, an annual gratuity of 30*l.* a year, but that has been discontinued for some years. The Government are under no agreement to take any number of copies of this work; but, as a fact, about 60 copies are ordered annually for official use. Then, lastly, the Map of Europe by Treaty, which is a most wonderful book. The printing was paid for by Her Majesty's Government, who received 1,000 copies of it (the whole number published), and gave the editor 1,200*l.*, which was voted by Parliament. The Government have received the proceeds of the sale of this work.

26,607. Did the Government sell the copies?—Yes; Sir Edward Hertslet got 1,200*l.* as editor, and then gave the book over to the Government.

26,608. You have been 50 years, you say, in the Foreign Office; can you tell us what is the precise advantage of having in the Foreign Office three divisions of clerks, instead of two as in other offices. In other offices there is a higher and a lower division, and even it is doubtful whether there is a barrier drawn between the higher and lower division clerks in all the other offices. As I understand, in the Foreign Office, there are three divisions of clerks: the clerks on the establishment, the supplementary clerks, and lower division clerks?—Yes.

26,609. Between those three there is a great gulf fixed; what is the advantage of that?—The lower division clerks have found their way into the Foreign Office, and apparently are likely to do so. I have not the gift of prophecy, but I imagine they will in due time sooner or later take the place of the supplemental clerks or of some of them. That seems to be the logical conclusion at which one arrives.

26,610. Do I understand you that the work that is done by these supplementary clerks is work that can, in your opinion, be done by lower division clerks?—I did not say that. I am assuming that where we have had these lower division clerks before us for a certain number of years, and have had opportunities of testing their value and their ability; wherever we find—if we do

Sir F. Alston, K.C.M.G.

13 Nov. 1889.

find—a lower division clerk who has won his spurs in the lower character, an opportunity should be offered to him of a rise into some better position. That is the view I take.

26,611. Do you think there are three kinds of work in the Foreign Office which would permanently require three different classes of clerks separated from one another by a great gulf forbidding all promotion?—Practically as regards the lower division clerks, we had no option in the matter. I do not think we should have gone to the Treasury and asked for lower division clerks if we had had a chance of getting the supplemental clerks. We preferred what we had got. We were satisfied with the supplemental clerks, but we knew perfectly well the Treasury would not give them to us. They said supplemental clerks were a dying service. "If you want any fresh clerks you must have lower division clerks." That was the view taken by Sir Edward Hertslet. He to the last was very strongly opposed to the introduction of the four lower division clerks into the registry room in the library. The answer was "It is Hobson's choice; if you do not like "to have four lower division clerks you will get none "at all."

26,612. Then is it distinctly understood that the supplemental clerks are a dying class?—No, that is only my forecast; that is the view I take. I do not see how, in the long run, the supplemental clerks and the lower division clerks can exist together. They may exist together in this sense: that I do not see why a lower division clerk, when he has proved his capacity and ability in various ways, and, not least, from his manners, and so on, should not be promoted into the division formerly or now held by the supplemental clerks; so that instead of going to the outside to look for a fresh supplemental clerk, you will take your man from one of the lower division clerks.

26,613. Is it your view that gradually all the supplemental clerks will be replaced in that way?—They might or they might not be. I certainly should not be prepared to say that they can all be replaced in my department. I feel bound to say that rather in the interests of my successor than on my own account, because the establishment of my own department, which is largely officered by lower division clerks, will, no doubt, last my time. I have to consider all those who are coming after me, and I certainly think that it should be open to the chief clerk, whoever he may be, to say, "my work is of such a character that I must "have the assistance of such and such a man." One of the questions is: will you find that man among the lower division clerks? If you do not find him there, you must go to the outside to get him. That is all I can say.

26,614. Going away from the lower division clerks to the upper division clerks, why should your upper division be divided into two—clerks on the establishment and supplemental clerks, with an impassable barrier between them: whereas no such division exists in any other office?—To begin with, the two divisions, with the exception of the librarian's clerks, enter by a very different examination.

26,615. Why do they enter by a very different examination?—I do not know why they should, but they do; that is all I can say.

26,616. Could not the Foreign Office be filled very well by only two sets of clerks, a lower division and an upper division, leaving out of consideration altogether whether the lower division were to be promoted to the higher grades or not. Do you want your upper division strictly divided into two, as you have got it now, and as no other office has got it?—To a great extent it may be done, but there must be exceptions to every rule, and I should not like to pledge myself to saying that in any one department of the office, whether it is the chief clerk's department or the librarian's department, the head of that department, who is under great responsibility, should be forced against his will to take from the other room a man who was not acceptable to him.

26,617. Not forced: I say what qualifications have the clerks on the establishment got which the supplemental clerks have not got?—They have social qualifications, I think, to a higher degree, certainly; it may be an odious thing to say, but the clerks on the establishment come from a higher stratum of society.

26,618. Then the idea in the Foreign Office is to have three strata of society for your clerks?—Perhaps that is what it comes to, but I am not arguing in favour of the absolute retention of these supplementary clerks; I am willing to diminish them, and to let them be recruited from the lower class, only I say do not force me to have a lower division clerk if I do not find one among the lower division capable of the work.

26,619. There is a lower division in all the other offices; but what I want to get at now is why in the Foreign Office you divide your upper division into two, making it impossible to pass from one to the other; whereas no such rule exists in any other office?—Sir Philip Currie would say that the supplemental clerks were not a higher division; in point of fact, that they were the lower division before the lower division was an accomplished fact. That is the meaning and the explanation of it; they were the lower division and they have really become the middle division.

26,620. Now that you have got the lower division clerks in the Foreign Office, is there any necessity for having three different classes?—No, and the supplemental class must gradually diminish—there is no doubt about that.

26,621. (*Mr. Lawson.*) Might I ask whether it is not the case at the present time that the lower division clerks, as well as the supplementary clerks in the library, have to deal with matter of the most confidential kind two or three or four years after it has entered the office?—The fact is this. There are four lower division clerks now in the library on the register, and they are registering despatches about seven or eight years old in a separate room in the basement.

26,622. Are the supplementary clerks dealing with more recent papers?—They would be dealing with more recent papers, and would be stationed, some in the reference room adjoining Sir E. Hertslet's room and others in the large M.S. library. Papers relating to anything that Sir Edward Hertslet might be desired to keep secret—Sir Edward Hertslet has most confidential work—he would retain in his own possession, but the body of the clerks would see all the papers that came into their respective rooms. As to the lower division clerks in the basement they might possibly pick up some secret, say eight years old, and much good might it do them.

26,623. (*Mr. Hanbury.*) Your correspondence with the embassies abroad is, I understand, principally on financial questions?—Yes.

26,624. And I suppose it is not more confidential than most financial questions?—It is not confidential at all.

26,625. How is it carried—by letter or by messenger?—Sometimes one, sometimes the other; it is sent out by messenger if a messenger is going; if not, it is sent by post.

26,626. And no messenger is sent out specially for your correspondence?—No, I am afraid it is not at all likely.

26,627. The bulk of it, I suppose, is done by letter?—Yes.

26,628. (*Mr. Freeman-Mitford.*) If you were to do away with the supplemental clerks, as you call them, you would have practically to increase the clerks of the diplomatic establishment of the Foreign Office, would you not?—I think certainly that would be the case. Take the case of my own department. I do not for a moment think that any succeeding chief clerk, so long as Mr. Newman my first assistant was there, would find anybody so well qualified to assist him. He is a most excellent public servant, and I have always received from him the most invaluable assistance during the many years I have been chief clerk. But should Mr. Newman go and if the department were recruited in the future exclusively from lower division clerks, my successor would, I think, have to apply to the Secretary of State for one and it might be for two of the higher class clerks.

26,629. (*Mr. Lawson.*) As a matter of fact are the supplementary clerks employed in the political part of the Foreign Office?—Not in any of the purely political divisions. There is a supplemental clerk in the commercial department, and at first sight you would say, "What "is there secret in the commercial department?" A large proportion of the work is not confidential, but a commercial treaty while under negotiation is certainly so.

26,630. Have not these gentlemen access to the most confidential work, although you do not allow them to pass the barrier that separates them from the confidential part of the office?—Mr. Maycock is the only

clerk of the supplemental class who is employed in the commercial department.

26,631. (*Mr. Hanbury.*) With regard to the building and repairs of embassies abroad, does that come into your office?—It is accounted for by the Office of Works.

26,632. Do you make recommendations to them?—Practically it passes through my hands. Anything connected with money comes to me, and I know all about it.

26,633. Who recommends it to the Office of Works?—The minister is usually in direct communication with the Office of Works, but not invariably so. Take the case of the house at Washington. When Sir Julian Pauncefote arrived at Washington he found the house in a very bad state, and he wrote to us about it, though I am perfectly aware that the Office of Works would have preferred that he should have addressed himself direct to the First Commissioner. It was no doubt from inadvertence that he did not do so, but passed his despatches through the Foreign Office. Those despatches were immediately sent up to me, and were minuted.

26,634. (*Mr. Freeman-Mitford.*) May we say that in 99 cases out of 100 the communications take place between the minister and the Office of Works?—Yes, that is so.

26,635. (*Mr. Hanbury.*) And that the Foreign Office exercises no control?—It has been taken out of our hands. The Office of Works has the control.

26,636. Supposing, for instance, we built a new embassy at Berlin, or wherever it may be, the Foreign Office, as a Foreign Office, practically knows nothing about it?—We should know something about it.

26,637. Officially?—The actual conduct of the negotiations for the purchase or the hire, and so on, would be conducted by the Office of Works.

26,638. Does not the Foreign Office, for instance, have a voice in saying whether it would be better to rent a house than to build one?—No doubt the Office of Works would communicate with the Foreign Office, and the Foreign Office would communicate with the Office of Works. There would be free communication between the two offices and with the Treasury on the subject.

26,639. Do you look upon it as a fixed portion of the work of your department to inquire into the expenses in that direction?—I have a great deal to say upon it, but the responsibility of accounting for it is with the Office of Works.

26,640. (*Mr. Freeman-Mitford.*) Is there not an officer especially appointed for the purpose, who is attached to the Office of Works—the Surveyor of Embassy and Legation Buildings?—Yes; and that gentleman is in constant communication with the Foreign Office.

26,641. But it is on his recommendation that the work is done?—Yes.

26,642. (*Mr. Hanbury.*) Take a place where it is possible that the embassy might be abolished—say Darmstadt, or some of those small German States; if the Foreign Office official was not necessarily informed of what was going on, the Board of Works, knowing nothing of the intentions of the Foreign Office, might sanction a building which was really unnecessary?—There is a free communication between the Office of Works and the Foreign Office on these subjects.

26,643. Is there always?—Yes.

26,644. (*Mr. Lawson.*) I believe it is the case that the Queen's messengers are entirely under you, are they not?—They are.

26,645. Are you contemplating any reduction in their number at the present moment?—We are going to reduce them by one more as vacancies fall in.

26,646. (*Mr. Hanbury.*) What are your regulations as to what they shall carry with them?—They have to carry whatever is brought. They take the despatches.

26,647. What else do they take?—They take any communications which may come from the Palace.

26,648. What do they carry for the different attachés, for instance?—The regulations are very stringent upon that subject—almost too stringent. I do not think they are infringed to any great extent, but I think sometimes a clerk will oblige a friend abroad by slipping something into the bag. I do not say he will do it in such a manner as to constitute an abuse.

26,649. (*Mr. Lawson.*) How do you enforce the regulations?—The regulations are there in the office, and if a man chooses to break them, he breaks them at his own peril; that is all I can say. If I became acquainted with it, of course I should call attention to it.

Sir T. Alston, K.C.M.G.

13 Nov. 1889.

26,650. (*Mr. Hanbury.*) But you do not think, as a matter of fact, that it is often that the regulations are infringed?—I think not. I remember in the old agency days the agents used to make up the bags, and it is supposed that all sorts of iniquities went on, but that was not the case.

26,651. (*Mr. Lawson.*) As a matter of fact, would nine Queen's messengers have their time fully occupied on the present business?—They have been rather slack of late, but at this moment they are very busy. For the last few years we have been measuring the number of journeys they have taken. We came to the conclusion that we could reduce them, and we have reduced them. I think we have only got 10 at this moment, and we are going to reduce one more; but we shall have to keep a certain number of messengers. I am perfectly aware that they are a very expensive establishment, and I wish I saw my way to reducing the expenditure, but that can only be done by altering the class of men.

26,652. In these days of constant telegraphy, will not nine be more than sufficient for all the work?—No doubt the telegraph has taken the life out of the messenger service to a large extent, but what the messengers do is this: we print all our confidential despatches, and we have a system by which all those despatches are sent in print to the chief embassies and legations abroad. That print can only be sent by messenger; we could not send it through the post.

26,653. (*Mr. Freeman-Mitford.*) Is there not also one very important document which is carried by the messengers, namely, the private instructions from the Secretary of State to the ambassador or minister abroad in a private letter, which it would not be safe to send through the post?—A messenger will sometimes be sent specially abroad, with one letter in his charge.

26,654. (*Mr. Hanbury.*) If a messenger is sent with only one letter, and I will assume that that letter is as confidential as it can possibly be, you send very confidential information by telegraph, because you can do it by cipher. Then why cannot you send letters in cipher, equally containing confidential communications?—The Secretary of State probably writes his letters at about half-past 7 in the evening. Most of the private letters are written at the very last moment, and it would take a long time to put one of Lord Salisbury's private letters into cipher, and it would not go the same night by post.

26,655. I suppose the post and the messenger would travel at about the same pace?—The messenger beats the post.

26,656. (*Mr. Lawson.*) Has not the recent introduction of through services throughout Europe made a great change in the demands upon these messengers' time; take as an instance through service to Constantinople by train?—They take advantage of the through service, of course.

26,657. Can you do with less men, therefore?—We have done and are doing with less men.

26,658. When?—One follows upon the reduction of two previously. I may take the credit of those three reductions myself.

26,659. (*Mr. Freeman-Mitford.*) As a matter of fact you very often have to engage extra men, do not you?—Yes, whenever there is a press of business. We can always find them, but my view is that the real economy would be in employing a different class of men.

26,660. (*Mr. Hanbury.*) You have got three social classes apparently at the Foreign Office; to which of these does the messenger correspond?—He is a gentleman.

26,661. Then he corresponds to the clerk on the establishment?—Yes.

26,662. (*Mr. Lawson.*) When you take men for special work, which may be very important, how do you select them; supposing at the present moment there was a European complication, and that you wanted two or three extra messengers, how would you get them?—I might go to my club; but probably a Foreign Office clerk would be only too ready to volunteer.

Sir F. Alston, K.C.M.G.

13 Nov. 1889.

26,663. (*Mr. Freeman-Mitford.*) Do you not very often take men who are in receipt of pensions—old pensioned Foreign Office clerks and men of that stamp?—Two such men have volunteered.

26,664. You have done such a thing, have not you?—Yes, in two cases.

26,665. (*Mr. Hanbury.*) When the messengers retire, do they get pensions?—Yes.

26,666. Although they have passed no examination?—There is an examination, but they do not always pass it.

26,667. And yet they get in?—It happened in this wise. About 10 years ago it was considered that as a messenger entered somewhat late in life, (the service, it must be remembered, is very severe; it is all very well and pleasant to take two or three journeys, but to go on for years travelling by railway is very trying), it would be right that the messengers should have five years added to their period of service in computing their pensions, and it seems that under some regulation of the Civil Service Commissioners that exempts them from the Order in Council.

26,668. (*Mr. Lawson.*) Suppose to-morrow you wanted a Queen's messenger, would you select a man between 25 and 35 years of age?—Yes.

26,669. And then would he commence with five years added to his pension rights?—At the end of his service he would have five years added.

26,670. Until he had served 10 years would he have any such rights?—I believe not.

26,671. Would he be under the ordinary conditions, except that he had five years additional?—If he served 10 years he would be able to calculate 15.

26,672. (*Mr. Hanbury.*) Would there be any advantage in having younger men appointed; because, I understand they are men generally of middle age?—There would be no advantage as regards the performance of the duties. With respect to economies effected in the messenger service, formerly we had a Queen's messenger service all the way to Rome, which cost several hundreds a year. Now we make use of the Indian mail as far as Bologna, and the dispatches are carried by somebody or other, I forget who it is, between Bologna and Rome. It is a local service. That was a very considerable economy. The next economy we effected was in getting rid of the Calais and Paris station as served by Queen's messengers.

26,673. (*Mr. Lawson.*) When?—Two or three years ago.

26,674. Recently, in fact?—Yes.

26,675. (*Mr. Freeman-Mitford.*) Are you referring to the man who ran regularly?—Yes; he was stationed between Calais and Paris. It was a very expensive service. Lord Salisbury was very strong upon the the necessity of keeping down the expenditure for messengers, but as a messenger service is quite unavoidable and we cannot do without it, our only alternative is to reduce the cost by altering the character of the service where we can. So we got rid of that station between Calais and Paris, and the despatches are carried by a confidential man belonging to the Embassy, who does it very much cheaper.

26,676. (*Mr. Hanbury.*) Have you got any similar fixed stations still left?—Yes, we have fixed stations between Berlin and London, and St. Petersburg and London.

26,677. Running periodically, or only when they are wanted?—Once a week.

26,678. (*Mr. Lawson.*) This confidential man at Paris, I take it, is of the same class as the messengers in the office. He is not a gentleman?—No.

26,679. Therefore, what reason is there, if these men can be entrusted with the confidential measures to carry from Calais to Paris, why they should not be employed universally?—I should like to see it done myself. I should like to see a different class of men employed.

26,680. Are you contemplating reforming the service with that end in view?—We have the men on our hands now. We proceed slowly, perhaps, but surely. There is the service between Calais and Berlin, that is not so easily arranged as the service between Calais and Paris, which is a much shorter journey. Then comes the question, Berlin now is the centre of everything, and the private letter to which Mr. Mitford alluded to Berlin would be, I have no doubt, an exceedingly important and confidential letter, and you must take uncommonly good care that that letter is safely delivered. There can be no question about that. The point you suggest requires consideration. So long as we have the messengers on our hands we are not called upon to go into the question. It is much cheaper to employ those men that we have got than to devise a fresh scheme when we have got the men on our hands and must employ them. As I said just now we have abolished two of them, and we are going to abolish a third, and when we have abolished the third then it will be time to consider, and we no doubt shall consider, whether any further development can be effected in the way of economising the messenger service.

26,681. (*Mr. Hanbury.*) What is the salary of those messengers now?—They have a fixed salary of 400*l.* a year, and then for every night they are employed abroad they receive an allowance of 1*l.*, and under an arrangement of very old standing that is computed for the purposes of retirement at a total of 125*l.* a year. These messengers, besides the income tax upon their 400*l.*, pay income tax upon the allowance of 125*l.*, and they are pensioned off on a total income of 525*l.* a year.

26,682. How much is it your idea that you might get men for?—That would be a matter for consideration. I should myself like to see an ex non-commissioned officer who has earned a good character, and who is an army pensioner. I daresay we should find such men who can speak French, and very probably German too.

26,683. (*Mr. Lawson.*) When was your last Queen's messenger appointed?—The last date mentioned in the Foreign Office list is misleading. The messenger there, Mr. Graves, exchanged with Mr. Newton, who you will now find is a consul.

26,684. That was with your sanction, of course?—Yes. I think Mr. Graves is rather the older man of the two.

26,685. Therefore the exchange was rather an advantage to the public service?—From that point of view certainly.

26,686. When there is an entire change in the means of communication, as there was recently between Constantinople and London, is there an immediate revision of the amount paid for a journey in respect of what you call the travelling money?—Yes, undoubtedly. We go most closely into those matters.

26,687. (*Mr. Hanbury.*) I suppose he is only allowed his actual expenses?—Yes. The difficulty is in regard to such charges as cab hire and fees to guards; we make an allowance for such expenses.

26,688. (*Mr. Lawson.*) I see there have been three gentlemen besides Mr. Graves appointed since 1880, one in 1882, one in 1883, and one in 1885?—Mr. Goddard was another exchange. The last appointment was that of Mr. Taylor in 1883.

The witness withdrew.

Mr. Charles Malcolm Kennedy, C.B., called and examined.

Mr. C. M. Kennedy, C.B.

26,689. (*Chairman.*) You are, I believe, the senior clerk of the commercial department?—Yes.

26,690. We should like a little information from you about the constitution of that department and the work that you do, if you will kindly give it shortly, in your own way?—The staff of the department consists of four clerks on the establishment, one clerk attached, two lower division clerks, and we also avail ourselves of the services of a typewriter. The business is the correspondence on all commercial and sanitary questions.

26,691. When you say sanitary questions, do you mean questions of quarantine and the like?—Yes.

26,692. (*Mr. Hanbury.*) Only quarantine. I suppose there are no other sanitary questions that you deal with?—Questions bearing on quarantine and such questions as the progress of cholera and the state of health

in different countries. Reports on those subjects come to my department, and we communicate them to such offices or public bodies as may be concerned.

26,693. (*Chairman.*) You say there are four clerks on the establishment?—Yes.

26,694. Those are regular Foreign Office clerks. Do you include yourself in them?—Yes.

26,695. You are one of the senior clerks?—Yes.

26,696. Were you ever in the diplomatic service?—No, but I have been in the political departments of the Foreign Office.

26,697. How far is the clerical service of the commercial department interchangeable with that of the other working departments?—Entirely. The clerks on the establishment might be moved any day to a political department, and a clerk from a political department might be put into the commercial department. For instance, just at present the commercial work is slack; that is a sign of good times. The African department is pressed; the junior clerk on the establishment in my department wanted a change of employment and to see the work of another department in the office. I was able very willingly to let him be moved to the African department, and therefore, for the time being I am one short; but in January, when our work will increase, I hope to obtain the services of another clerk in his place.

26,698. (*Mr. Hanbury.*) Why do you say it will increase in January, because you say the slackness is a sign of prosperity?—In January the commercial reports come in; it is the special business of the clerk attached to edit these commercial reports. At the present time, that is, at the end of the year, he is able to assist in other work, and, therefore, we can get on with four men instead of five, but in January I should be obliged to ask Mr. Maycock to attend exclusively to his proper work.

26,699. (*Chairman.*) The attached clerk of whom you speak is a second-class clerk in the librarian's department, is not he?—He is borne on that staff, but he has been for the last nine years exclusively employed in the commercial department. He was appointed more particularly to edit the commercial reports. When the subject was considered in 1880 it was found that a good deal of inconvenience was felt before that date, and the Government of that day thought it expedient that it should be the duty of one particular man to attend to the preparation and the speedy publication of these reports, and Mr. Maycock was appointed for that purpose. He has continued to discharge those duties since, and he has very recently brought out a very valuable index to these reports, which has attracted a good deal of attention.

26,700. (*Mr. Hanbury.*) With regard to that index, why is that treated as work to be done outside of office hours, and not as a part of the work of the department?—The want of such an index was felt; it had not been undertaken *ab initio*, and thus it was a heavy work to put into shape. Mr. Maycock undertook the task of preparing it; but the arrears accumulated rendered the work too great to be done in the course of business.

26,701. If the index is so important, as it certainly seems to be, why is not that a regular part of the work of your department?—The difficulty hitherto was want of necessary time.

26,702. I mean, if it is such an important thing, why is it not a part of the recognised work of the Foreign Office; why is it left to a man undertaking it voluntarily?—That is a fault of organisation.

26,703. You yourself think, as I understand, that it is work which you ought always to do regularly as a part of the Foreign Office work, and not trust to a volunteer?—Certainly.

26,704. Is any step being taken to see that it is done regularly by the Foreign Office in future?—We have a system of registering and entering of reports which will greatly facilitate the preparation of such an index in the future, and I trust it may be possible to keep it up as a part of ordinary duty and work.

26,705. Does the clerk get paid extra for it?—No.

26,706. Is it purely voluntary work?—Yes.

26,707. In future do you think it will be done as a part of the office work?—I hope we may be able to do it. If not, we must probably apply to the Treasury for a grant.

26,708. Does it involve so much more work that your department could not undertake it?—It has not hitherto been possible to undertake it, but I hope it may be continued in future.

26,709. (*Chairman.*) Do you correspond in your department directly with the consuls abroad, or how is the correspondence taken?—There is a commercial series of correspondence with legations and consuls abroad, and also with foreign representatives, and with commercial bodies, and with persons interested in commercial subjects in this country.

26,710. (*Mr. Freeman-Mitford.*) But those letters and despatches, I suppose, are signed by the Under Secretary of State, or by the Secretary of State, in the same way as the letters emanating from every other department of the Foreign Office?—Yes.

26,711. (*Chairman.*) I understand that you do have some communications direct with merchants?—Yes.

26,712. And with trading associations at home also?—Yes.

26,713. What is the practice with reference to them. Is it more than a question of a personal interview, and answering questions, or is there a regular correspondence?—They generally make their applications by letter, which are entered and minuted and submitted the same as any despatch would be to the Under-Secretary and the Secretary of State.

26,714. Is the work in your department increasing much?—When the department was re-organised on its present footing in 1872, the total correspondence was 4,900; in 1882 the total correspondence was 10,900; in 1886 it had risen to 18,000; in 1887 it was rather over 17,000; and in 1888 rather under 17,000. This year I expect there will be a decrease.

26,715. (*Mr. Lawson.*) When you say re-organised in 1872, was it not practically established in 1872 as a separate department?—Not exactly. The commercial department was first established in the Foreign Office in 1866. It was the outcome of a committee of the House of Commons on foreign trade. At that time we were really the transmitters of the opinions of the Board of Trade. In 1872 the Board of Trade expressed the opinion that it would be better that the Secretary of State should conduct foreign commercial negotiations on his own responsibility, and in consequence of that recommendation, and in order to give greater effect to the recommendation of the House of Commons by a committee of 1864, the commercial department of the Foreign Office was reconstituted.

26,716. (*Mr. Freeman-Mitford.*) I believe the work, such as it was previous to that, was done in the consular department?—The department was consular and commercial.

26,717. (*Mr. Lawson.*) At the present time a distinction is drawn between the correspondence of consuls that goes to the consular department, and that which you receive at the commercial department?—In their commercial series is included all subjects relating to British trade.

26,718. Does any of that go to the consular department?—No.

26,719. Is the letter handed over to you by the Under Secretary?—Take the case of a consul's despatch. The envelope is addressed to the Secretary of State, and in the corner is marked either "Consular," or "Commercial," as the case may be; it is brought to either of those two departments.

26,720. (*Chairman.*) Do I rightly understand that the consular reports upon trade do not go to the consular department, but go straight to the commercial?—They go straight to the commercial.

26,721. So that the consul is dealing practically with your department on the subject of foreign trade?—Yes, that being a commercial subject.

26,722. I see you have got two lower division clerks?—Yes.

26,723. Are they employed upon the same sort of work as the others?—If I may put it shortly, they are employed on anything which does not require initiative. They do not compose; they register; they write for signature and make copies.

26,724. Do you think they are capable of doing higher work than that?—To some extent they might be; but I do not think they would be able to take the direction of the department.

Mr. C. M. Kennedy, C.B.

3 Nov. 1889.

26,725. (*Mr. Lawson.*) Did you yourself start in the Foreign Office on the political side?—No; when I was first appointed I served for some years in the consular department; then I was transferred to the political.

26,726. At that time there was no bar between the two, I believe?—There is no bar now.

26,727. Then, you entered as an established clerk?—Yes.

26,728. You did not enter on the supplementary lists?—No.

26,729. Might I ask whether you supervise the work of the commercial department in its ordinary daily progress, or whether that rests, as I see you state in your memorandum, with Sir James Fergusson, who is the Parliamentary Under Secretary?—All papers come to me in the first instance, and then pass to the political under secretary through me.

26,730. Then you have nothing to do in the ordinary daily course of business, with the political side of the office?—No.

26,731. Do you yourself, when you receive a complaint from any given body of traders, say a chamber of commerce, communicate directly with the consuls abroad, stating the nature of the complaint?—The course is this: the letter is received, it is docketted and registered, then it comes to me, I make a minute on it, suggesting what action seems to me required to be taken. I pass this on to Sir James Fergusson. Then, if he thinks it is a matter which he can deal with without referring to the Secretary of State, he either concurs or he modifies what I have suggested. It is returned to me, and on that minute the dispatch is written, signed by Sir James Fergusson, and goes off.

26,732. Do you yourself devise means for improving the consular reports for the convenience of traders, or do you generally take their advice?—The form in which the commercial reports used to be made is prescribed in the general consular instructions, which are revised from time to time.

26,733. How often?—They are under revision now. The last edition, I think, was issued 10 years ago. On these occasions these paragraphs of the instructions are referred to me for any suggestions as to any amendment which I think is required at the present time.

26,734. Sometimes the complaint is made that our consuls abroad are somewhat neglectful in the interests of British trade, and that they do not pay the same attention as the consuls of foreign Powers do, especially the consuls of Germany?—I do not think there is any ground for that statement.

26,735. You yourself are always trying to improve the nature of the reports when these rules come up for revision?—Certainly.

26,736. And you take means to consult traders about them?—Yes. We do not usually consult them in writing, so to say, but we take any opportunity in conversation of obtaining any suggestions which they can offer in that way.

26,737. Now you have got great bodies like the London Chamber of Commerce, for instance, do you not refer to them on any specific subject where you think their advice may be useful to you from a technical point of view?—Certainly.

26,738. Are you in communication, then, with the Chambers of Commerce?—We are in constant communication with the Chambers of Commerce.

26,739. And is that sometimes on your own initiative—not with respect to a complaint made by them, but simply in order that you may see what the wishes of the commercial community are?—Quite so.

26,740. Do you find that the clerks on the political side of the office, who entered in the same way as you did, obtain any knowledge of the work of your department?—They can only obtain it by working in the department.

26,741. Do they do that at all?—My assistant, Mr. Warburton, came to the commercial department three years ago. Before that he had been in the consular and African department, and previously in the political department. Then Mr. Farnall, who is the third in the department, had served in the Spanish department and in the Cyprus department, there being then a special department for Cyprus.

26,742. Is there now a special department for Cyprus?—It is transferred to the Colonial Office.

26,743. The ordinary clerk entering the Foreign Office on the political side does not obtain any knowledge of the routine of the commercial branch, does he?—No.

26,744. (*Mr. Freeman-Mitford.*) Not unless he is appointed to your branch?—Unless he is so appointed.

26,745. (*Mr. Lawson.*) He does not pass through it—he does not necessarily obtain any insight into commercial affairs?—Not necessarily.

26,746. Do you find that the lower division clerks do the work that you give them satisfactorily?—They do it admirably.

26,747. And do you see no reason why, excepting the post of chief, they should not rise to any rank in your department?—I would hardly go so far as that. My impression is, that for my department, the minimum establishment staff ought to be three, namely, the head of the department, the assistant, and the junior assistant.

26,748. All drawn from the political side?—All drawn from the political side. It is really necessary that men who have to initiate and to conduct the business of the commercial department should have had what might be called a broad education. Many of the questions with which we have to deal are very important, quite as important as political questions, and you must have men who can form an opinion as to the general bearing and effect of anything that may be done; personally, I should be very sorry to see any alteration made within the next few years—I anticipate heavy work in 1891 and 1892. In 1892, the series of European treaties of commerce now in force is terminable, and is likely to be terminated. That policy would necessarily involve heavy and very responsible work in the commercial department of the Foreign Office, and I should not personally like to have any diminution or alteration of staff with this work in view.

26,749. (*Mr. Hanbury.*) Is not there a fixed barrier between the supplementary clerks and the clerks on the establishment?—A man might possibly be transferred on the ground of special qualifications.

26,750. Does it often happen?—No.

26,751. (*Mr. Lawson.*) Has it ever happened within your experience?—I do not think it has ever happened in the Foreign Office.

26,752. (*Mr. Freeman-Mitford.*) Was not there an attempt made so to transfer Mr. Maycock, and did not he fail in his examination?—No, that is a mistake; he had the offer of being transferred. What he said was, that after having left school 12 years, he hardly felt inclined to go into an examination, and besides that, supposing he had passed, he would have begun at the bottom of the office, and for seven years he would have had no increase of pay.

26,753. (*Mr. Hanbury.*) And this is a valuable public servant who has been doing all this extra work, and is so important in your office?—Yes.

26,754. And yet it is believed that he is not a proper man, or that the members of the class to which he belongs, are not proper people to whom the most confidential matter could be entrusted safely?—Excuse me, there is the distinction drawn. He is in the same class as the clerks in the library who have the keeping of most confidential papers. There is a little confusion in the matter. There is an intermediate class of clerks between the establishment and the lower division, and he belongs to this intermediate class.

26,755. (*Mr. Lawson.*) But this intermediate class is not, we hear, allowed to enter the political side of the office, and that is on the ground that the men are to be trusted with the most confidential communications. In practice, I understand, from your last answer, they are in the other branches in the habit of seeing most confidential papers?—The librarians department keep confidential papers.

26,756. (*Mr. Hanbury.*) From your experience of the Foreign Office, is it your opinion that you want this broad distinction between those classes of clerks. Is there such a difference between the supplemental clerks, and the clerks on the establishment, that there ought to be such a gulf fixed between them as there is at the present moment?—No, I do not think so.

26,757. What is the supposed justification for this distinction?—That is a question rather beyond my

functions. My own impression is, that it arose out of economy, their scale of pay was lower than the pay of the establishment.

26,758. (*Mr. Lawson.*) I suppose Mr. Maycock, as a matter of practice, has seen communications as confidential as you can well imagine?—I can hardly say that, but he has seen confidential communications in the commercial department.

26,759. And you anticipate that in times such as the year 1891 or 1892 is likely to be, the clerks in your department will be employed in very confidential and responsible work?—Certainly.

26,760. Then I suppose there is no real reason why if they do it there, they should not do it elsewhere?—I would rather answer for my own department.

26,761. What communication have you with the treaty department at a time such as that?—The negotiation of a commercial treaty—to take a commercial treaty as an instance—in its earlier stages, is dealt with in the commercial department. As far as relates to the substance of the instrument, the commercial department does the business.

26,762. Does it arrange the schedules, for instance, of goods to be dealt with?—Yes, and the articles, and the stipulations. When it comes to the final form of drafting them, we refer to the treaty department.

26,763. As a matter of fact, I suppose the initial stages of a commercial treaty may be of a very important kind?—Certainly.

26,764. They are probably sketched out, and principles are laid down by the Foreign Secretary in communication with you?—Or in communication with the Cabinet, as the case may be.

26,765. I suppose the Foreign Secretary would consult the experts as a matter of practice?—The commercial department is in constant communication with experts.

26,766. So that then, at a time such as 1892, this work would be, in the first stages, of a very confidential kind?—Yes.

26,767. And you would be in constant communication later on, I suppose, with the treaty department?—Yes.

26,768. After the draft had gone up to them, and some corrections had been made, you would probably see it in its revised form?—Yes.

26,769. Would the other clerks in your department see it?—That might or might not be; it would depend on circumstances; there would be no necessity for them to see it.

26,770. But they might?—Yes.

26,771. (*Mr. Hanbury.*) Does that include lower division clerks?—No.

26,772. (*Mr. Lawson.*) But it does include supplemental clerks, of course?—We have only one supplemental clerk with very special functions.

26,773. Is that Mr. Maycock?—Yes.

26,774. (*Mr. Hanbury.*) When you say in view of the work that will come upon you in 1892 you would not like to see any alterations, do you mean that you would not like to have any change in the men who have been working in your department?—I mean both. I would rather not have any alteration; I would rather they should not be moved, but I would not put any obstacle in the way if it was for their advantage, the same as it was the other day in the case of the man who has been moved to the African department. What I meant is that I should require, if I had to deal with this business, the same staff as at present. Many of these questions, you can well understand, would take up my whole time for the whole day. I have had to visit chambers of commerce in this country, and have been employed abroad. In this work I want an assistant who is intelligent, and who knows about the subject to be in constant communication with me, and to act under my direction. That takes away one man from the current work. Then I want two men besides who can be left to transact the current business. It is for that reason, until this negotiation which we see pending has been concluded, that I should so much deprecate the reduction of the staff of the department as far as the numbers of the establishment of the office are concerned, below the present number of four.

26,775. You have got three separate classes of clerks in your own department now, have you?—Yes.

26,776. Well, tell me what is the advantage of having three separate classes?—None at all.

26,777. How many would you like to see?—Two; clerks on the diplomatic establishment, and those of the lower division.

26,778. Would you like to see a barrier drawn between the remaining two classes, the lower division and what would then be the upper division, or would you like to see the lower division clerks having an opportunity of promotion?—I should like to see them have that opportunity, within the limits indicated in my answer to a previous question.

26,779. Do you think that in some cases they would be quite fit to be promoted?—Yes, but, as I have said, those must be considered to be special cases.

26,780. You mentioned, I think, the case of one clerk who came to you from what you call the Spanish department?—Yes, that is now called the Western.

26,781. Then there has been a change in that department, has there?—Yes.

26,782. How long is it since that change took place?—There was a re-organisation of the office in 1881 and 1882; two departments were suppressed.

26,783. What two were they?—First the work of the Spanish department was added to another political department; and subsequently the work of the Slave Trade and sanitary department was divided between the commercial and consular departments, the former taking sanitary and the latter African business. The political departments are now three, American, Eastern, and Western.

26,784. When a man comes to you from the Western department, we will say, of the political branch, is he set in your department to deal with the western consular branch and the western trade particularly?—No.

26,785. Is he not supposed to have any special qualification so as to give him special work in your department?—He would take whatever was given him.

26,786. Then in your department, too, the idea is to get men who are generally fitted for any work that you may give them rather than to get men who are specially fitted for special work. What I mean is this. When you get a man, we will say, coming from the Western department, you do not set him to deal with reports of consuls in the west of Europe, but he has to go to any work you may set him to do?—Yes.

26,787. Why do all the consular reports come in in January?—Because the instruction is to send them in soon as possible after the end of the year.

26,788. In view of the fact that it is important to our merchants and people to get the information as quickly as possible, do you think it is a wise thing to have them only sent in periodically?—There are two series of reports; there are the annual trade reports, which are dependent on annual statistics—tables which are only published annually, and then there are also miscellaneous reports. It is more particularly those annual reports, which every consul is bound to send, which are expected to arrive in January. As a matter of fact, owing to the delay in the publication of statistics in foreign ports, the annual reports are often delayed in coming in, but they begin to come in in January in considerable numbers.

26,789. Then with regard to the miscellaneous reports, they come in, I suppose, at all periods of the year?—Yes.

26,790. What are the instructions to the consuls with regard to them?—To send them in whenever they can report anything likely to be of interest to British trade.

26,791. Is there any distinction between the instructions that you send out to the embassies and legations and consulates with regard to trade reports, because there are three classes of trade reports. There are the miscellaneous reports, the annual reports—both coming from consuls, and then there are reports from the different embassies and legations, are there not?—Yes.

26,792. Are they all sent in on the same principle, under the same instructions?—No, they are under what might be called similar instructions. The legation deals with the country in its entirety, the consul deals with his particular port or district.

26,793. Just as the consuls send in two sets of reports—the annual reports and those miscellaneous reports,

Mr. C. M. Kennedy, C.B.

13 Nov. 1889.

do the embassies and legations do the same thing?—Yes.

26,794. They send in both annual reports and statistics of the country as a whole, and also miscellaneous reports as to subjects that arise from month to month?—Yes.

26,795. Are you satisfied yourself with these reports at the present moment, or have you got any improvements in your mind that might be made?—No, I think as a whole they are very creditable to the writers, and that they are very well received by the commercial community in this country.

26,796. (*Mr. Lawson.*) Do not you think in these days of swift change that 10 years is too long a time to elapse before these rules are revised?—We are constantly revising them.

26,797. I thought you said there had been an interval of 10 years since the last issue?—That referred to the general instructions to consuls. We are sending out two or three circulars a year, calling attention to particular points in the commercial reports.

26,798. (*Mr. Hanbury.*) You spoke about your staff being so limited that you could not get a man to index the reports. Do you think that a fair proportion of the clerks in the Foreign Office are assigned to the commercial department, and that the commercial department is sufficiently recognised in the Foreign Office, or do you think you could do better work if you had a larger staff?—Of course with a larger staff we could do better work. It is rather a difficult question, but still I think we might with a larger staff be able to index reports better. Some time ago I asked to have another lower division clerk. I thought three lower division clerks would be quite sufficient, but this year the work has certainly diminished, and there is no advantage in any way in having men without specified work for them to do

26,799. Taking the interest in the matter that we know you do, do you think that there is work that the Foreign Office might fairly be expected to do for the trade of the country which would be better done supposing you had a larger staff?—Yes, I should like to have another lower division man.

26,800. Is that the whole extent of your requirements?—Yes.

26,801. Besides indexing, is there any other work which you think you might do, but which you do not do now?—Yes, I think, for instance, that we might take a great part of the commercial work in regard to Eastern Asia. The commercial work of Eastern Asia, by which I mean China, Japan, and Siam, is done in the China department, not in the commercial department. I think that a good deal of that work might be transferred to the Commercial department. Some of the trade questions now dealt with in the African department might also be handed over to the commercial department.

26,802. What is the reason for keeping that work in the China department?—In those countries commercial questions are very much mixed up with political questions, and it has therefore been considered better to keep the whole of the business relating to those countries in one and the same department.

26,803. But, so far as I recollect, we do get commercial reports from those countries, do not we?—Yes.

26,804. Do they come to your department or not?—They are printed under the direction of the China department, then the proof is sent to Mr. Maycock, who submits it to me, and I pass it on to the Under Secretary.

26,805. What would be the particular advantage gained by your suggestion of bringing the commercial work of Eastern Asia within your department?—I think it is better to bring all work of the same kind as far as possible within one focus.

26,806 And in view, I suppose, of the fact that they are likely to be very important countries to our trade, would you also think that that is another reason for bringing them within the commercial department?—Yes.

26,807. (*Mr. Lawson*) I suppose as things at present stand, these reports are dealt with by clerks who have not special commercial knowledge?—I would hardly say that.

26,808. By clerks who have not been in your department?—Yes, but they are fully conversant with all questions relating to those particular countries.

26,809. But those gentlemen have not so much to do with English trade as you necessarily have?—No.

26,810. (*Mr. Hanbury.*) Do the consuls in the India Office establishment, we will say along the Persian Gulf and at Bagdad, where we know questions with regard to our trade are now arising, correspond with the Foreign Office?—Yes.

26,811. Do we get reports from them?—Yes.

26,812. Do we get reports from Bussorah and Bagdad?—Yes, the consuls correspond with the commercial department—my department.

26,813. Although they are not under the Foreign Office?—Yes.

26,814. But simply for commercial purposes?—Yes.

26,815. Do they send in exactly the same kinds of reports, annual and miscellaneous?—They do not send in so many reports as the others, but they do send in reports.

26,816. Do they send them in as regularly as the Foreign Office consuls?—I think they do. I have brought with me Mr. Maycock's index in case any question of this kind arose, but after looking through it, I see that Bagdad is not there.

26,817. Do not you think it would be a good thing that just as you say the consuls in Eastern Asia should correspond with you regularly, so the consuls in other parts of Asia, whether they are under the India Office or the Foreign Office, should still send in their commercial reports to the Foreign Office and to your department?—Those under the jurisdiction of the India Office are instructed to send their reports to the commercial department.

26,818. Apparently they do not, because we have got a resident at Bagdad?—Sometimes owing to a change in the tenancy of the post, there is a delay in sending the report.

26,819. But their instructions are the same, are they not?—Yes.

26,820. (*Mr. Lawson.*) I see Pekin in Mr. Maycock's index. Do the China reports come to you?—The reports from China are printed, and then the proof is sent to the commercial department. I should say also in any matters of doubt or difficulty, the China department consult the commercial department.

26,821. Do you give them hints for the form of their reports and the subjects dealt with?—Whenever I am consulted.

26,822. But not otherwise?—No.

26,823. (*Mr. Hanbury.*) Do all consuls report without exception?—Yes.

26,824. Do they all report in English, because we have several vice-consuls, certainly, who are not English?—I believe one or two vice-consuls make their reports in French, and they are translated by the superintending consul. He sends the reports home in English.

26,825. But there are not many cases of that kind, are there?—Very few.

26,826. I think I understood you to say that the Board of Trade has nothing whatever to do with the trade abroad, and that the whole of the information as to the trade abroad comes to the English public through the Foreign Office?—We supply the Board of Trade with information on trade questions, by sending despatches and foreign publications on these subjects; and we further ask them for information which we wish to to obtain on matters dealt with by them.

26,827. How did they get their information before this new arrangement of which you have spoken took place, when you practically took over the duties of the Board of Trade with regard to Foreign trade?—The Foreign Office passed papers and documents on to them, and they advised the Foreign Office on those papers.

26,828. Advised them in what sense; simply from their own commercial knowledge?—Yes.

26,829. With regard to Foreign trade, I do not quite understand now what are the relations between the Foreign Office and the Board of Trade; what exactly does happen, and what subjects do you work together, and in what way?—Take the case of the negotiation of a commercial treaty. We act in the initiative; we con-

sult the experts in this country, the chambers of commerce, and other people concerned; we prepare the draft of the treaty and then refer it to the Board of Trade, and ask for any observations which they may have to offer.

26,830. Then is the treaty concluded?—Yes.

26,831. In old days was that done by the Board of Trade?—In old days the Board of Trade used to consult the experts in this country, and used to advise the Foreign Office simply what was to be done, which the Foreign Office did ministerially at the instance of the Board of Trade.

26,832. (*Mr. Freeman-Mitford.*) Would there be any very great difficulty, do you think, in transferring the reports on commercial matters from the China department to your department?—I do not think so.

26,833. But that work is very much mixed up, I believe, with all the general current work of the legations and consulates in China and Japan?—Yes; that is the reason why hitherto that work has been kept in the China department.

Mr. C. M. Kennedy, C.B.

13 Nov. 1889.

26,834. Do you think there would be any objection, for instance, to the Minister in China, who is Superintendent of Trade—that is one of his titles, I believe—having a commercial series as well as a political series?—No.

26,835. Which commercial series should go into your hands?—I personally do not see any objection.

26,836. You said just now that you saw no objection, I do not know whether you meant this in the fullest sense, to an absolute possibility of transfer between clerks of the lower division and clerks in the political establishment of the Foreign Office; did you mean that in the fullest sense?—No.

26,837. Then you did not mean by your answer to Mr. Hanbury just now that you considered it possible for clerks of the lower division to be promoted to the political establishment of the Foreign Office?—No.

26,838. (*Mr. Hanbury.*) In no case?—No.

26,839. You do not think you would ever find a lower division man who was fit for that work?—I should doubt it.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

SEVENTY-EIGHTH DAY.

7, Whitehall Place, Westminster, S.W., Thursday, November 14th, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

LORD LINGEN, K.C.B.	Mr. R. W. HANBURY, M.P.
Rt. Hon. H. H. FOWLER, M.P.	Mr. H. L. W. LAWSON, M.P.
Mr. A. B. FREEMAN-MITFORD, C.B.	Mr. J. W. MACLURE, M.P.

Mr. H. WALPOLE, C.B., *Secretary.*

Sir PHILIP W. CURRIE, K.C.B., re-called and further examined.

26,840. (*Chairman.*) I think you are prepared to give us information upon the system of admission to the French and German foreign offices?—Yes. In these papers I have a complete statement of the systems in France, Germany, Austria, and Italy (*handing in same*). As to the pay, as I expected, the French scale here, as in every branch, is very much lower than ours. I believe no judge in France gets more than 800*l.* a year, whereas our judges get 5,000*l.* A cabinet minister, I think, in France, gets 1,200*l.* a year. The total of our Foreign Office is at the minimum 29,632*l.*, at the maximum 44,362*l.*

26,841. Will you kindly have prepared for us a paper showing clearly how those figures are got at, and compare them with the figures given in the Estimates?—Yes. Here is a table showing the pay of the employés in the French Foreign Office (*handing in same*); the total appears to be 596,100 francs, that is 23,844*l.*

26,842. (*Mr. Lawson.*) Is that the total French vote for their Foreign Office?—That is the total French vote for the pay. I will also hand in a paper giving the same information for the German Foreign Office (*handing in same*). I might explain that there are in the French Foreign Office thirty attachés who only receive 1,500 francs each, that is 60*l.* a year. They work in the Foreign Office, but they are looked upon merely as a sort of aspirants—they are waiting for places.

26,843. (*Chairman.*) Is there a much larger number of them than exist in our Foreign Office?—Yes.

26,844. Because we have some attachés?—We have only one or two occasionally. At this moment we have none. The number in the French Foreign Office is a result, of course, of the Foreign Office and the Diplomatic service being all one in France.

26,845. There appears to be a more complete union in the case of Germany, Austria, and France between the Diplomatic and Foreign Office service than there is in this country?—I think there is. In France the consular service in some of its branches is also united to the Foreign Office. There are 30 attachés who are attached to what they call the "Cabinet du Minister," the "Direction politique," and the "Direction Commerciale," but the charge is only 45,000 francs for 30 men. That swells the numbers very much. The highest pay that anybody gets in the French service, I think, is 22,000 francs. The heads of departments seem to get very low pay—only 10,000 to 14,000 francs.

Sir P. W. Currie, K.C.B.

14 Nov. 1889.

26,846. Leaving that point for the present, I think you wish to supplement your answer as to the distinction between clerks on the establishment and the supplementary clerks?—Yes; I have talked to some of the men at the heads of the departments where there are supplementary clerks employed, and they have pointed out to me that in those departments the work is principally routine—for instance, in the chief clerk's department and in the librarian's department—and that the men must be thoroughly trained to their duties. You could not transfer a man from a political department to the librarian's department or the financial department; he would be quite useless; therefore, you must have a set of clerks apart. In consequence of that, two lists of applicants are kept at the Foreign Office by the private secretary, and he notes on the second list, the supplementary list, the men who he thinks would be likely to accept such places; but he tells me that he finds rather a difficulty; he does not get the same men to accept those appointments in the supplementary division as he does for the other division. A man will accept a nomination to compete for a post on the diplomatic establishment of the Foreign Office who would not accept the other post.

26,847. I think you told us the other day, and Sir Francis Alston, I think, told us the same thing yesterday, that you would be quite willing that steps should

Sir P. W. Currie, K.C.B.

14 Nov. 1889.

be taken to see how far the positions occupied by the supplementary clerks could be filled by lower division clerks, and that you could quite see that it would be useful that such steps should be taken?—Certainly; the system has been tried, and I think that it is quite right that it should be proceeded with. Both the chief clerk and the librarian, who are principally interested, state that they should require to have a certain number of the same clerks that they have at present to supervise; but beyond that, I think, they are quite willing to admit lower division clerks and to carry further a system which has been already adopted.

26,848. (*Mr. Lawson.*) Did they tell you whether there was any of this routine work which lower division clerks could not do?—What routine work?

26,849. You used the phrase yourself; you spoke about the work being mainly routine?—When I used the word routine I meant work that required special training, such as the keeping of accounts. The chief clerk and the librarian both state that they should require to have some men of this other class to supervise the lower division clerks.

26,850. (*Mr. Freeman-Mitford.*) Does not that resolve itself into this: that departments being manned in the usual way current in the Civil Service by an upper division and a lower division of clerks, you must have political clerks to do the confidential and diplomatic work of the Foreign Office?—As I understand the system that has been recommended for the service, it is that the departments should be carried on by lower division clerks supervised by a certain number of upper division clerks. That is laid down in the Treasury Minute, and that system, I think, we should consider quite fit to be adopted in the non-political departments of the Foreign Office. But if the question arises whether those supervising clerks are to be exactly on the same footing as the clerks in the political departments, there might be some difficulty.

26,851. (*Mr. Hanbury.*) What is there in the Foreign Office for which the ordinary upper division clerk who rises to the very highest point in all other offices, would not be qualified?—These men are specially appointed to do the work, we will say, of the financial department: they are trained in that department, in figures, and they do accountants work. If you were to make those men interchangeable with the men in the political department both would be ignorant of their work. If you took a man out of a political department and put him into the accountant's department, he would of no use; on the other hand, if you took a man out of the accountant's department and put him into a political department, he would be of no use there.

26,852. Is it not the fact that the inconvenience which you mention does not arise in other offices because men are constantly shifting from one department of the office to another, where the difference is just as great as in the departments you mention?—I am unable to answer that. I have no experience except as regards my own department. I think in the Foreign Office the inconvenience would be great.

26,853. But in the Foreign Office they are shifted from the different divisions of the confidential departments; from the Eastern and the Western and the American, are they not, but never outside those divisions?—Certainly, but the nature of the work in those divisions is the same although the countries with which they have to deal are different.

26,854. Then do I understand that it is merely a question of knowledge and experience, and not a question of the different class of men that you will get in?—Of course, if you wish to recommend that the men in the chief clerk's department should be put on the same footing exactly as regards salary as those in the political department, they would be very pleased, no doubt, to have their salaries raised, but hitherto we have looked upon it as an economy that we can get men there at a minor salary.

26,855. That is not my point exactly. My point is this: is there any special reason in the Foreign Office why the whole of the higher work of the Foreign Office should not be done by one set of clerks in exactly the same way as it is done in other offices?—I think I have explained the reason why the present system exists.

26,856. You have given me one reason, which is, acquiring special knowledge of the departments. Of course one can see that that is not a sufficient reason; are there any other reasons?—I am afraid it is difficult to give further reasons than I have already given.

26,857. (*Mr. Freeman-Mitford.*) Has not the somewhat anomalous position of the Foreign Office in regard to that very condition of things arisen from the fact that the Secretary of State has always reserved to himself the power of appointing specially confidential men to the political departments of the Foreign Office. Therefore, you had one class of men in the political departments and another class of men in the so-called routine departments; is not that the case?—Yes. This system came into existence before there was any question of lower division clerks. I think the proper answer would be that the men who are employed in the chief clerk's department and the librarian's department have occupied something of the position that will now be taken in the public service by the lower division clerks.

26,858. (*Mr. Hanbury.*) That being so, do you want three classes of clerks in future, recollecting that you had only two before?—The system has been adopted of lower division clerks with, I believe, supervision, and the question is who is to supervise them. I should suggest that a certain number of those supernumerary clerks should be retained in order to supervise them.

26,859. (*Mr. Freeman-Mitford.*) As upper division clerks, I suppose?—They are upper division clerks.

26,860. (*Mr. Lawson.*) Would you suggest that others should be introduced to take the place of these supernumerary or supplementary clerks?—I would recommend that as the supernumerary clerks die out or retire, their places should, as far as possible—if there are men fit for it—be filled by lower division clerks.

26,861. (*Mr. Hanbury.*) Are you of opinion that in future, as these men die out, the whole of the Foreign Office can be manned by two sets of clerks, or would it be necessary in future to still preserve the three?—I think it is impossible to say beforehand that the supervising clerks can always be taken from the lower division clerks. I think that must depend upon whether there are men fit for it. I think the Secretary of State must reserve the right to go outside lower division clerks for the supervising men if he considers it necessary. If there are men fit for it amongst the lower division clerks I would certainly recommend that the supervising clerks should be taken from them, because I think it very desirable that the lower division clerks should have some chances of promotion.

26,862. (*Mr. Lawson.*) In the future you can quite imagine the scheme of the Foreign Office, being a certain number of first class clerks in the diplomatic establishment, and a certain number of staff offices for the purpose of supervision, and lower division clerks for the rest?—Certainly; that is exactly what I would recommend, but the lower division clerks should be confined to the non-political departments.

26,863. (*Chairman.*) Now, we will go, if you please, to the diplomatic establishment. In the paper which has been supplied to us you state that "the constitu-" tion of the diplomatic service remains based in all " important particulars on the recommendations made " in the Report of the Select Committee on Diplomatic " and Consular Services, which was presented to Parlia-" ment in 1871." May we take it there have been no substantial changes since that time?—Certain changes have been made in accordance with that report of late, but I do not think there have been any important changes.

26,864–5. (*Mr. Freeman-Mitford.*) There have been some legations made into embassies, have there not?—Yes.

26,866. (*Chairman.*) I think you told us the other day the way in which the diplomatic service is recruited, but, perhaps, you had better make it clearer?—The diplomatic service is recruited in the same way as the Foreign Office, that is, the Secretary of State has a list of candidates for the diplomatic service. Some of them are candidates for either the Foreign Office or the diplomatic service. When a vacancy occurs in the diplomatic service the Secretary of State nominates from four to six to compete for each vacancy—not so many as in the case of the Foreign Office, because there are not generally so many men on his list. The condition is made that they must have a certain amount of means, namely 400*l.* a year. The Secretary of State will not nominate anyone who has not that

because it would be impossible for anyone without that to live at a foreign court.

26,867. I believe attachès do not receive any salary until after two years' service?—That is so.

26,868. Is it a rule that they serve for a certain period in the Foreign Office before they go abroad?—Yes, for six months.

26,869. Is that the universal rule?—That is the rule.

26,870. During that time are they attached to one of the political departments?—Yes.

26,871. (*Mr. Lawson.*) Is the rule as to means the same for all cases, namely, 400*l.* a year?—It is usual when a young man applies, or his friends apply for him, that they should be informed that he could not be appointed unless a provision of that sort could be made for him during the first few years that he is in the diplomatic service.

26,872. Does it matter to what embassy or legation he may be appointed?—No, it is on admission to the diplomatic service, because you cannot stipulate beforehand where the man will be employed, that must depend upon the requirements of the moment. When a man gets into the diplomatic service he has to go where he is told.

26,873. (*Mr. Hanbury.*) Is that the only qualification except, of course, the test of examination?—In addition to the examination, enquiries are made about him, and he would not be appointed unless he was a suitable person.

26,874. What would you define as suitable?—That is a matter rather for the Secretary of State to judge.

26,875. I want to get at that; what, as a rule, is defined as suitable?—I think it is desirable that a man should be well educated.

26,876. I will take such a case as this; any man, for instance, who has been educated at a university, and who has 400*l.* a year, would he as a rule be put down?—I think that the Secretary of State is generally very willing to put upon his list any man who is recommended as being a suitable person for the diplomatic service.

26,877. Do you know as a matter of fact whether there are many refusals?—I have never heard of a refusal to put a man on the list. I dare say there are many men who have been on the list who may not have been nominated, that is to say, the Secretary of State, is not bound to nominate all those who are on his list. When a vacancy occurs he selects those whom he thinks most suitable.

26,878. I think you said that he only selected two or three because the list was such a small one?—I said, I think the list is smaller than the list for the Foreign Office, because naturally, this requirement of fortune rather limits the number of candidates.

26,879. Is not the list large enough to allow of a greater number of nominations?—I suppose the size of the list depends on the number of people who apply.

26,880. I suppose you know, as a matter of fact, whether it is invariably limited to two or three in spite of the length of the list?—It is not usual to nominate more than four or six.

26,881. How many would be on the list do you suppose, as a rule?—This system of limited competition was only introduced a few years ago by Lord Granville. Up to that time it was the custom of the Secretary of State to nominate one man only to a vacancy. He then had to go through a pass examination before the Civil Service Commissioners, but there was no competition. Lord Granville, I should think seven or eight years ago, introduced the system of limited competition for the diplomatic service. Therefore there really has not been much experience of the system yet.

26,882. (*Mr. Freeman-Mitford.*) There is a very small number of candidates, is not there?—There is, I believe, a fairly large list. I have nothing now to do with the Secretary of State's list, and I do not see it. I could only ascertain how many there are on the list by asking the private secretary.

26,883. (*Chairman.*) I observe that the Committee of 1871 stated that "the character of the service has "altered since 1861, and that it is now more of a close "profession which is entered chiefly by those who "mean to make it the occupation of their lives, and in "which promotion ordinarily goes by seniority." Would you say that is a fair description of the service at the present time?—I think so, certainly. It was in consequence of the recommendations of the Committee of 1861 that the service was made a very much more regular one. Before that time there were a number of unpaid attachés who looked upon it more as a service they could enter for a short time and then leave. Since that time there has been a much more regular system of promotion.

26,884. That Committee recommended that the interchange of duty between the members of the diplomatic service and Foreign Office clerks should be encouraged and facilitated as much as possible. I understand that that is not carried out so completely as it is in France and Germany?—It is not a question of exchanges in France. In France the service is one and the same, and a man may be employed either in the diplomatic service or the Foreign Office.

26,885. That is to say, there is a complete interchange of duty?—You may go further than that—the service is one. A man in the French Foreign Office is a member of the diplomatic service; with us, a clerk in the Foreign Office is not a member of the diplomatic service.

26,886. I should like your opinion as to the limits which the Foreign Office have found it necessary to place upon that interchange of duty?—That is left to the discretion of the Under-Secretary generally. Of course, we do not think it desirable to let too many of our clerks go abroad at once, because that would rather disorganise the office. The men who come home from foreign legations have not quite the same habits of business as our clerks, and they are not used to the same regular hours. Subject to that we are very glad to see interchanges. We think it very useful for our clerks to go abroad, and to learn what they can of foreign countries, and we think it very good for the secretaries to come to the Foreign Office, where, of course, business is carried on on a larger scale than at the embassies abroad.

26,887. In consideration of the conditions, which you have just told us are necessarily attached to the entering of the diplomatic services, does the question of expense interfere with the clerks a good deal in our system?—The question of expense would interfere very much, and does interfere very much with our clerks going abroad. Some of them cannot afford to go.

26,888. May I take it that the Foreign Office would view with favour the interchange as much as possible?—Certainly, subject to those two things—to not disorganising the office by too constant changes, and also subject to not causing a man to go abroad whose means do not allow him to do so.

26,889. I observe in the memorandum you state that there are 132 members of the service, and you add, "There are also eight honorary attachés who receive "no pay, and are not qualified for promotion"; who are they? Is that a permanent institution?—No, those honorary attachés are young men of fortune mostly, who wish to go abroad. They entail no expense whatever on the public; they receive no pay or allowances of any sort or kind; they have no claim to pension, and of course they are at liberty to retire from the service whenever they like.

26,890. Do they begin with six months in the Foreign Office, the same as the other attachés?—Not necessarily.

26,891. Then they practically are supernumeraries?—They may be said to be rather ornamental members of the service; they are hardly expected to give the same attendance as the other members of the service.

26,892. (*Mr. Hanbury.*) Are they useful in any way as well as ornamental?—Yes; indeed some of them are extremely useful. There is one young man at Paris who, I am told, has made himself very useful. They perform social duties, and are always ready to help in the work when they are wanted.

26,893. (*Chairman.*) Of course they are not qualified for promotion?—They are not qualified for promotion, nor for any pension, nor for any sort of pay.

26,894. So that they do not interfere with the rising in the profession of those who have entered the service regularly?—Not in any way.

Sir P. W. Currie K.C.B.

14 Nov. 1889.

26,895. And they are of use to the country, as we can understand, in some of the foreign embassies?—I think it is very desirable to have them.

26,896. Has there been any change in the salaries of the diplomatic service of late years?—There have been several changes, some salaries have been raised, and some have been lowered according as the posts were thought to be more or less expensive for the time being. There has been an increase at Berlin, and a reduction at Paris.

26,897. The ambassador at Paris has been reduced, I think, from 10,000*l.* to 9,000*l.*?—Yes.

26,898. And the ambassador at Berlin, I see, receives 7,500*l.*?—Yes; I think the salary was only 7,000*l.* a short time ago.

26,899. Whenever there is an interchange of posts, a vacancy so to speak in a high position of that sort, is there a constant revision taking place according to the altering circumstances and expenses of a capital or a particular mission?—Yes; necessarily.

26,900. Now, with reference to the embassy and legation houses, is it a growing opinion of the Foreign Office that it is desirable to purchase or build houses for our representatives abroad?—Yes; we think it is desirable, particularly in the more important capitals that our representatives should have permanent houses. On the whole, I think, it is an economical arrangement. If there is no permanent house, they sometimes have very great difficulty in getting housed. It is, of course, very desirable that they should be well lodged.

26,901. (*Mr. Hanbury.*) Is it a rule in other countries to have permanent houses, or simply to hire them?—In some cases they do. Here in London the Germans have got a permanent house, the French have got a permanent house, the Italians have got a permanent house—they took one the other day—and the Spaniards have just acquired a house.

26,902. (*Chairman.*) The policy of the Foreign Office, and I think of Parliament generally, has been in the direction, has it not, that there should be a permanent residence at the seats of the chief missions for the heads of such missions?—That was the recommendation of the Committee, and we have as far as we can carried it out.

26,903. When the Foreign Office recommends that a permanent residence should be acquired it is a question, of course, for the decision of the Government, and then the Board of Works make inquiries through the officer who specially attends to that work as to what houses are obtainable?—That is the course.

26,904. The Committee of 1871 also recommended that the Secretary of State should consider whether some of the smaller German missions might not be discontinued without public injury; has there been any diminution in the number of those missions?—There has been a very great diminution. Those that remain now are Munich, Stuttgardt, Dresden, and Darmstadt, which includes Baden, and Coburg. We do not keep large establishments at those places, only a minister or chargé d'affaires, and sometimes one secretary; and the salaries at Munich, Stuttgardt, and Dresden have been much reduced. I think it is desirable to keep up those missions, as they have opportunities of getting information which cannot easily be got anywhere else.

26,905. Is there anything at Coburg and Darmstardt?—Yes.

26,906. (*Mr. Lawson.*) There is a note in the Estimates, page 426, to this effect:—"It is proposed, on "the occurrence of vacancies, to amalgamate the "missions at Munich, Darmstardt, and Stuttgardt, so "as to reduce the cost." I suppose we may take it that that could be done?—I think that probably might be done.

26,907. Dresden is not included there?—No.

26,908. (*Mr. Hanbury.*) Nor Coburg?—Mr. George Strachey is the secretary of legation at Dresden, and at Coburg there is Mr. Ralph Milbanke, who has the rank of secretary of legation.

26,909. Do you know what ministers other foreign nations keep at these small German courts?—I think more than we do.

26,910. Still?—Still; that is a question I cannot answer offhand, of course. I can procure any information of that kind the Commission desire; the Almanach de Gotha would show at once.

26,911. (*Chairman.*) Have you anything to say with reference to promotions in the diplomatic service. I see that the Committee of 1871 recommended that it is undesirable that promotion should be by seniority?—Promotion in the lower branches, up to the rank of first secretary, is generally by seniority. In promotion to the rank of first secretary of course seniority is considered, but a man would not be promoted to be a secretary of legation or a secretary of embassy unless he was thought thoroughly fit for it. The promotion to the higher independent posts is entirely a question of merit, but seniority is always more or less considered.

26,912. Then with reference to those posts, the Secretary of State would consider himself at liberty to go outside the service?—Yes, as he has recently done in several cases.

26,913. (*Lord Lingen.*) Is the examination the same for the Foreign Office clerkships and the junior posts in the diplomatic service?—Not quite the same.

26,914. Is there any material difference?—Languages are insisted upon in both cases, but more stress is laid on colloquial knowledge of French in the case of the diplomatic service. Lord Salisbury has strongly represented to the Civil Service Commissioners the great importance of a thorough colloquial knowledge of French for diplomatists.

26,915. And naturally, I suppose, for the Foreign Office proper, the colloquial knowledge of French is not so much insisted upon?—It is not so important.

26,916. But both the examinations imply a tolerably liberal education?—Certainly. The following was the regulation as to Latin for candidates for the diplomatic service before competition was introduced. Latin is now a competition subject. "Candidates who have "passed the first public examination in classics at one "of the universities in Great Britain or Ireland, or at "the Royal Academy at Woolwich, or one of the public "examinations for the Army or Navy, will be exempted "from being examined in Latin; otherwise they have "to be examined in Latin."

26,917. Are the limits of age the same for the maximum and minimum for admission into the two services?—For the Foreign Office the maximum is 24, and for the diplomatic service, 26.

26,918. What is the minimum?—The minimum is 18 for the Foreign Office, and 20 for the diplomatic service.

26,919. I suppose we may assume, generally speaking, that the same class of candidates enters both branches of the service, or is there any material difference between them?—Much the same class of candidates enters the Foreign Office and the diplomatic service.

26,920. In the Foreign Office itself, the chief clerk's department, the librarian's department, the treaty department, and the commercial department are all, I take it, little kingdoms, as one may say, taken out of the general staff of what we may call the common staff of the establishment?—Not the commercial department; the commercial department is principally manned from the diplomatic establishment of the office.

26,921. In the memorandum I see it is stated that there is only one clerk attached to the commercial department in Downing Street?—There are four clerks on the diplomatic establishment attached to the commercial department. There is one supplementary clerk in it who is kept there specially for editing the commercial reports, and then there are two lower division clerks. The commercial department is not on the same footing as the chief clerk's department, and the librarian's department, and you cannot put it in the same category as you put them. A senior clerk, Mr. Kennedy, is the head of the commercial department. Then there are three other clerks on the regular diplomatic establishment. Then there comes a supplementary clerk, who is placed there to look after the reports. Then there are two lower division clerks. Therefore it is not on the same footing as the chief clerk's department, of which no one, except the chief clerk himself, is a member of the diplomatic establishment of the Foreign Office.

26,922. When you say "diplomatic establishment," do you mean that these gentlemen are diplomatists off duty who are in England, and who are assisting the head of the commercial department?—No, that is

a name I gave for convenience to the regular clerks in the Foreign Office.

26,923. Is the head of the commercial department one of the ordinary first or second class junior clerks, or is he one of the political establishment?—He is a senior clerk on the political or diplomatic establishment.

26,924. Then the head of the commercial department and the three other men in it are ordinary Foreign Office clerks?—Yes.

26,925. Will they pass their whole existence in the commercial department, or will they probably be moved into other branches of the Foreign Office?—The juniors will be moved about into the other departments. I should try as far as possible to give all the men a turn in the commercial department so that they may learn the work of it.

26,926. Passing from the commercial department, in which that system prevails, and coming to the chief clerk's department and the librarian's department, where we get into much closer organisations, which exist in the way of work, those departments have no communication, have they, with the political part of the Foreign Office?—No, the men in them are not interchangeable.

26,927. Do you think that that on the whole is an advantage?—I think so. I think that the work in those departments is of a special kind, and requires men to be permanently attached to those departments. I do not think that the men could be made interchangeable with the men in the political department.

26,928. Among all the Treasury papers and enclosures which have been sent over from the Foreign Office to explain various matters, I have seen elaborate memoranda prepared in the librarian's department upon various subjects; how are those memoranda called into existence?—Memoranda on current subjects are prepared in the departments. Those prepared in the library relate, as a rule, to geographical, historical, international, and kindred questions.

26,929. I suppose the whole of those memoranda are not prepared by Sir Edward Hertslet himself?—No, some of them are prepared by his assistants. There is a sub-librarian, and then there are a number of clerks who are on the permanent establishment of the Foreign Office who are of the class that I call supernumerary.

26,930. That work, of course does not amount to making a decision, or even to amending a decision, but it is work of a high order rather, is it not?—It is work requiring very considerable capacity.

26,931. Would not one of the political clerks be all the better after being passed through that department for two or three years?—I was talking to the librarian on the subject yesterday, and he said men who were not thoroughly trained by himself were not of much use to him.

26,932. You would have thought, would you not, that it would be very desirable that the clerks when they rise to the rank of assistants, and have to manage the correspondence, should know, in some general manner, at any rate, what the Foreign Office could supply in the way of antecedent records?—A great many memoranda are prepared in the departments which require reference to antecedent records. In many cases the head of the department calls from the library for the previous papers, and prepares the memorandum. There is no absolute rule about it. If the question is one with which he thinks he can deal, the head of the department generally deals with it; if it is one that the librarian would be more competent to deal with, he gets him to do it.

26,933. Now, when a letter comes into a political department in the morning which requires reference, we will say to antecedent papers, there being, for instance, in the course of the letter a good deal quoted of what passed in this year and what passed in that, is not the letter sent bodily into the librarian's department, or how does it get the requisite information collected for it?—In most cases the head of the department would go to the librarian, or send one of his men to him and ask for the antecedent papers. Of course, if those papers are very voluminous and bound up in a great number of different volumes, it would be very inconvenient to bring them all into the department. If the question does not go back to any papers of remote date, the librarian would probably send him one or two volumes containing the things. When I was head of a department, I often had a file of volumes sent to me from the library. That is the way in which it is done. There is no very absolute rule. Our present librarian is a man of very special knowledge; he has an extraordinary knowledge of all the papers of the office, of treaties, and every subject of that kind; and, of course, we are very glad to utilise that knowledge.

26,934. Has he been always bred in the library?—He and his father before him.

26,935. I do not want to go into any personal question further than as it bears on general organisation. If the librarian's duty is so exceedingly special as that, his removal involves a very serious question of who is to succeed him, does not it?—Yes; that question was put to me the last time I was before the Commission, and I said that I thought the appointment so important a one, that the Secretary of State should be free to select a successor of the librarian either from within or without the office.

26,936. What in the Foreign Office is called the library would in the Treasury and in the ordinary Secretaries of State's offices be called the paper room. In those offices they rely more upon elaborate indexing, and in that way are able to hunt cases up rather than on any very high officers placed at the head of the room. Do you think that a person in the position of your librarian, and with the rank of Sir Edward Hertslet, is necessary in the office for that position?—Very much so; I would rather have Sir Edward Hertslet than all the indexes that could be made; unfortunately we are not likely to have another man of such universal knowledge; therefore, it is very necessary to have the indexes. He is an index in himself.

26,937. Indexing, though, does not require a man of quite his rank and status if it is regularly kept up?—I mean that the knowledge that he carries in his head is as good as an index.

26,938. But unfortunately his head is not immortal; what is to happen when that natural index is removed?—We must get the very best man we can, and also have very full indexes, which we are working up now with the utmost speed. The indexes had, unfortunately, fallen into arrears, owing to the staff being too small to keep them up to date.

26,939. Now I see the salary of the sub-librarian goes up to 650*l.* a year; the indexing of course requires great intelligence, great accuracy, and great method, but is it altogether out of the question that a sub-librarian at 650*l.* a year should be adequate to superintend the work in your library?—I hope we may be able to find a man among the junior men in the librarian's department who would be capable of succeeding to the post of chief librarian; but I look upon the post as a very important one, and I certainly think it ought to be filled by a very capable man, and that he ought to have a high salary.

26,940. Generally speaking, in the organisation of the service, I think some object of this kind is aimed at. After a certain number of staff appointments there should be two divisions, a first and a second, or an upper and a lower, whatever they may be called, and that those two should circulate freely among the various branches of work into which an office is divided. Do you think that as much has been done in that direction as might be done in the Foreign Office. For instance, in the commercial department you say the first-class clerks do circulate into that and come out of it again. Might not your lower division clerks to a certain extent be interchangeable between these different departments, so as to have only a single class of them, so that you would be able to raise the salaries of a certain number either by duty pay or by giving them certain peculiar offices. It is almost peculiar to the Foreign Office that they have two such departments as the librarian's department and the chief clerk's department, so entirely separate from the rest of the office?—I think our system is the best for our work. I think that a man to be of use in the librarian's department should pass his whole time there, should be trained there. I know that to be very strongly the opinion of the librarian. I may explain that the librarian has what he calls a reference room, where the whole of his establishment clerks, or nearly all, are constantly occupied in referring to volumes and looking out papers.

Sir P. W. Currie, K.C.B.

14 Nov. 1889.

That requires a very great knowledge of the correspondence, which is bound in volumes. We expect to get our references instantaneously almost. If the Secretary of State sends down for a pressing reference to a subject, all these men can at once be put on it, and they ferret out the papers and send them up with the greatest despatch. It is of the very greatest importance to us that that should be done. If we had men who did not thoroughly know every volume in the place they would take a long time in doing it. I do not think that there is any system of indexing that would be sufficient, without having men who know the papers. The lower division clerks have nothing to do with the papers. The lower division clerks are employed entirely on keeping up the indexes. The papers that are given to them are papers that are about five years old. No paper can be indexed until it is about five years old. It is impossible, according to the system, that it could be ready for indexing before that. The lower division clerks are not employed in indexing the most confidential papers.

26,941. You have said that you think to some extent the lower division clerks might supersede the supplementary clerks; but supposing the supplementary clerks as a distinct class were got rid of as they died out, and that then the succession to their places being opened to the lower division clerks with some special allowance and pay, then you would have only one class working in an office on that sort of work, not two divisions, supplementary and lower, but lower only, with certain allowances to them when they got up in the scale; do you think that would work?—I think if a lower division clerk was promoted to be a staff officer, and thereby became a permanent officer of the Foreign Office. he would be capable of doing any work that his abilities allowed him to do. I cannot have quite the same feeling about men who are not on the establishment of the office.

26,942. I am not speaking of his succeeding to the establishment of the office in the sense of the political establishment; but would you say that a supplementary clerk was on the establishment, and that a lower division clerk was not?—Certainly. The supplementary clerk passes his whole career in the Foreign Office; he is entitled to a pension, and he is exactly as much on the establishment as I am myself.

26,943. They say at the Treasury that a lower division clerk is exactly on the same footing; he is entitled to a pension, and as a matter of fact would probably pass his whole life in the Foreign Office?—Perhaps, as a matter of fact, he may be. I have always understood that lower division clerks do not belong to the office in the same way as the supplementary clerks do. If to-morrow we found that we did not want a lower division clerk, we should write to the Treasury, I suppose, to say that we did not want him, and he would be removed and sent to some other office.

26,944. Not necessarily; that might happen, but the lower division clerk is not on the footing of a writer. He is entitled to employment. The same might be said of a supplementary clerk or any clerk whatever in the Foreign Office. If you said to the Treasury that you did not want him they would have the option before them, if he was entitled to compensation, to compensate him and get rid of him, or to find him another employment. There is no such distinction of establishment and non-establishment between a lower division clerk and other persons?—I may have spoken in ignorance. I thought that the lower division clerks were interchangeable with other offices; at any rate they do not pass any special examination on appointment to the Foreign Office.

26,945. What I particularly wanted to get at was this: whether, instead of the lower division clerks and the supplementary clerks, we could not do this work, which is below the responsibility of political work, by means of a single class, instead of two?—I do not think that you could man the library entirely with lower division clerks.

26,946. Not even with lower division clerks of experience, who had certain allowances made to them with respect to that experience?—No, I do not think they have had the training which would fit them for it.

26,947. They have not yet had the training; but supposing a lower division clerk was at once brought into the library, is not he as trainable as a supplementary clerk?—I should be very glad to see the posts of supervising clerks in the library opened to lower division clerks, if they were fit to fill them; but I do not know what the Civil Service Commissioners would say to it, because the lower division clerks have not, I suppose, passed the same examination as the supplementary clerks. I do not know what the lower division examination is, but that seems a difficulty.

26,948. What is the examination for your supplementary clerks?—It is the same in the librarian's department as the examination for the diplomatic establishment. In the other non-political departments it has hitherto been only a pass examination.

26,949. Is it the same as for your political clerks?—It is the same in the librarian's department as for the political clerks; but the competition is less severe.

26,950. For first appointments?—For first appointments in the library the examination is the same. If you refer to the Foreign Office list you will see there is only one kind of examination for the diplomatic establishment and the library.

26,951. Then I suppose that a supplementary clerk undergoes the same examination, no higher and no lower, as a young gentleman who is seeking admission into the political department?—The subjects of examination are the same; but of course the stringency of a competitive examination depends entirely upon the persons who compete for it. The subjects for examination in the Foreign Office are of a simple kind; but the examination for the political department is a very difficult one, because there are many young men competing who have been trained especially for it, and consequently I am told the examination is one of the very hardest there is. If it was a mere pass examination, it would appear easy. The obligatory subjects are arithmetic, handwriting, and orthography, English composition, précis-writing, French, German, Latin, general intelligence, and geography. The optional subjects are the history of Europe, the constitutional history of England, Italian, Spanish, and Ancient Greek. It is obvious that the difficulty of the examination depends entirely upon the men who compete; and, as a matter of fact, the men who are appointed to compete for the librarian's department have not generally such qualifications as the men who are appointed for the political departments.

26,952. Is there a different examination still for the chief clerk's department?—The examination for the chief clerk's department is only in handwriting, accuracy of punctuation, orthography, arithmetic, geography, book-keeping by double entry, and French (only translation from, and not into).

26,953. (*Mr. Freeman-Mitford.*) Going back to the diplomatic service, I want to ask you whether, in considering the question of reducing the number of legations abroad, any other countries have been taken into account besides the smaller German States; is it possible to reduce the number in other countries besides those states?—I think not.

26,954. South America, for instance?—I do not think the legations could be reduced there. I think it is necessary to keep a British representative in all the South American States.

26,955. Would it not be sufficient to have a consul there, or a consul-general?—No; I think it is important to have a minister there, because there are very great British interests involved, and a minister naturally has much more influence than a consul.

26,956. Is there any reason for keeping a British minister at Berne?—I think it is desirable to have one there. The country is much visited by British subjects, and we have had one or two troublesome cases there lately, in which diplomatic action was required. You will see that the minister at Berne is not a highly-paid man. Of course, you cannot call it a place of the very first importance, but I think it is desirable to have a diplomatic representative there; other nations have.

26,957. (*Mr. Hanbury.*) Does your remark apply to all the South American States; take a small place like Ecuador?—I think it is extremely desirable to have a representative there. You see, a consular representative does not exercise the same authority in a place of that kind that a minister would.

26,958. But what work would he have of a ministerial character at Ecuador?—He has very important cases connected with British subjects and British interests.

26,959. Then there really is work for him to do there?—Yes, indeed there is.

26,960. Work worth 1,400*l.* a year?—Yes, I think so. Those countries are very subject to revolutions, and British subjects are apt to suffer very much in these revolutions. It constantly happens that the foreign representatives in those South American courts, when crises occur, exercise very great influence, and prevent affairs taking a course that would be injurious to the interests of the countries they represent.

26,961. With regard to the list of nominations for entering the diplomatic service, I understand that there may be a large number put down on the list, but, as a matter of fact, only a few of those will, in all probability, be nominated to compete for vacancies. Is there any information given to the people who are put on the list, and who are really not likely to be further nominated, or are they kept in suspense, without knowing that they have no hope?—That is hardly a question, perhaps, for me to answer, because it is a matter which is entirely in the hands of the Secretary of State, and I have nothing whatever to do with the appointments to the diplomatic service; but, from my experience when I was private secretary, I should say that there were not many names on the list of men who seriously wished to enter the diplomatic service who did not get nominations. Of course, a number of people apply. A father thinks that diplomacy would be a desirable career for his son. Perhaps the boy is only 15 years old, but the father gets half-a-dozen people to write off to the Secretary of State, and the young man's name is put down. Before the time comes for him to get a nomination, he has, perhaps, gone into the army, or he has entered some other profession, or he does not, himself, wish to go into diplomacy. In that way there are people on the list of names who never get nominations; but I think the great majority of the men who are at all suitable for the diplomatic service get nominations. It is, however, not a service which is really very much sought after. The living abroad is a thing that many people object to, and the expense is a very great consideration. If a man has a large fortune he does not see the advantage of living abroad; if he has got no fortune at all he cannot afford to go abroad; therefore, the only people who are really suited to the diplomatic service are the people of intermediate fortunes, either the younger sons of rich men, whose fathers can afford to give them good allowances, or young men who have inherited a moderate fortune. At any rate, the service is not suitable to the first young man you meet.

26,962. (*Mr. Lawson.*) I suppose the requirement as to private means is, in itself, an objection?—Yes; that requirement is not a requirement merely because we wish to limit the service to rich men, but it is made because men without means cannot live abroad. I have seen numbers of reports on the subject from ministers, and in many capitals I find it is impossible for a young man to live on less than 600*l.* or 700*l.* a year.

26,963. (*Mr. Hanbury.*) You have given us the cost of the English Foreign Office, and, to a certain extent, the cost of other foreign offices, has any statement been prepared showing the cost in each country of their embassy or legation, as compared with the English?—I will have such a statement prepared. I have here a statement with regard to the French, from which it appears that the French pay their ambassadors on a different system to ours. They give ambassadors a comparatively small salary, and then so much for what they call the cost of house rent and receptions. In most places they have houses, therefore the allowance is for cost of receptions, what is generally called "frais de représentation." The French have nine ambassadors, who have 40,000 francs each. At Berlin the ambassador gets an allowance of 100,000 francs. At Berne he gets an allowance of 20,000 francs, and at Constantinople 90,000 francs; in London, 160,000 francs.

26,963*a*. With regard to the promotion of secretaries and attachés after they are once appointed, is there anything in the diplomatic service in the nature of the confidential reports that there are in the army? How are the men's merits known at the Foreign Office?—There are no formal reports; but we have means of knowing the qualifications of the men in the diplomatic service.

26,964. My point is this: One hears constant complaints from the diplomatic service that estimates of a man's value are sent home by his superior officer, by the minister, and he never knows in the least what is said about him. In the army every officer who has a report passed upon him has a chance of being heard and explaining anything away; but in the diplomatic service the character of a secretary may be taken away by the superior officer without his being able to say a word?—As far as my experience goes, such a thing has never happened; except in some very flagrant case I have never known a minister send home a report that would prejudice a member of his staff; he generally looks upon him more as a friend to be assisted and helped.

26,965. (*Chairman.*) Is there not this Regulation No. XV., page 231, of the Foreign Office List, "Heads "of missions will be required to report annually, on "the 1st of January in each year, to the Secretary of "State, the mode in which, during so much of the "preceding year as they shall have served in such "mission, each second and third secretary and attaché "in his mission has discharged his public duty; and "such reports will be duly considered before any pro-"motion or increase of pay is accorded the person to "whom they apply. These reports will be con-"sidered to be strictly confidential, and it will rest "with the Secretary of State to determine as to ex-"tenuating circumstances when they are unfavour-"able." Are there any periodical reports sent in in accordance with that?—I never saw any periodical formal reports. In the Foreign Office we have the means of knowing a great deal about the members of the service. When they come home we see them; and then most of them are at some time or other employed to write reports, which gives us a tolerable gauge of their capacity.

26,966. (*Mr. Freeman-Mitford.*) A man's demerits would very quickly be known, I suppose?—Yes.

26,967. (*Mr. Lawson.*) If formal reports were sent in would you know of them?—I know of no such formal reports. As a matter of fact, I think I know pretty well the qualities and capacities of every man in the diplomatic service; but I have not arrived at that knowledge through any formal report.

26,968. (*Mr. Hanbury.*) Assuming that that is the regulation, and assuming that it is carried out, do you think it would be a good thing to do in the diplomatic service what is done in the army, namely, to give an opportunity to the secretary, or whoever he may be, who is adversely reported on, to meet the charge?—If a charge were made against any man, we should at once call upon him for an explanation.

26,969. Are all those reports satisfactory?—They do not come to me. I do not know who they go to; in fact, I am afraid that that rule is not carried out.

26,970–5. I suppose those regulations were drawn up in conference between the chief clerk, the Under Secretary, and the head officials of the office?—The Regulations bear date May 1, 1886, because they were re-issued then, it having been found necessary at that time to introduce further provisions in Rule 18 with regard to the deductions to be made from salaries of heads of missions on leave of absence. Rule 15 was issued in 1872. It was not found to be of any practical utility, and has been allowed to fall into disuse

26,976. (*Mr. Hanbury.*) Can you tell me with regard to the different grades in the service, what are the special and peculiar duties of each. Has an ambassador got any duties that do not fall on a minister, for instance?—The difference between an ambassador and a minister is that the ambassador represents the person of his Sovereign, and has the right to claim an audience of the Sovereign of the country to which he is accredited; and a minister may ask for an audience, but he has no right to claim it.

26,977. (*Mr. Freeman-Mitford.*) An ambassador personally represents the Sovereign, does not he?—Yes.

26,978. (*Mr. Hanbury.*) But in all other respects are their duties the same?—Yes.

26,979. What are the special duties of the secretaries of embassies and the secretaries of legations?—Their duties are to act generally under the direction of the ambassador or the minister, and to perform such part of the business of the embassy or legation as may be entrusted to them. Also to draw up the annual reports on the commerce of the country.

26,980. How many of those reports are there? I think, as a matter of fact, three; but we had it in evidence yesterday that you had only been receiving two?—I am not able to answer that question positively.

26,981. Are any special instructions given to the ambassador or minister himself to take any interest in

Sir P. W. Currie, K.C.B.

14 Nov. 1889.

and to try to develop English interests so far as trade is concerned in the country to which he is sent?—I am not aware of any special instructions being given to him, but that is, I should say, the most important part of his duties.

26,982. The most important part of his duties?—I look upon it as the most important part of his duties to further English interests in every way that he can, and as these interests are principally commercial interests, I should say that his principal duty was to further the commercial interests of his country.

26,983. What right has an English merchant, we will say in a foreign country, who wants to be assisted, or to gain information as to any particular trade in that country; can he go direct to the ambassador and get his information; and is the ambassador bound to take an interest in the matter?—Certainly. Any British subject has a distinct right to ask for the assistance, generally, of the ambassador or minister in the country where he lives. Of course it is not the business of the minister to press his interests as opposed to those of other British subjects, but generally to support the interests of all British subjects is his duty. A special instruction was issued by Lord Rosebery on this subject in 1886, and was laid before Parliament. Commercial, No. 16, Part 2, 1886.

26,984. (*Mr. Maclure.*) Is it not often the case that a British subject has to apply to the Foreign Office to have justice done to him, where it is not antagonistic to the interests of any other British subject?—Do you mean to have his interests supported.

26,985. To have them properly attended to?—Formerly it was understood that our representatives abroad should not support applications from British subjects to a government for contracts, and things of that sort, because it was thought better that they should keep clear of such things; but in consequence of the great pressure that has been put by other foreign governments in some Eastern countries in favour of their subjects, we did, about two years ago, issue an instruction to our representatives in those countries, saying that where they thought the interests of British subjects were suffering by the pressure put on by foreign representatives, they might also exert their influence, because we did not wish British subjects to be put on a footing of inequality with the subjects of other countries.

26,986. (*Mr. Lawson.*) Do you think that has had any practical effect?—I think it has.

26,987. (*Mr. Hanbury.*) In some cases, I think in China, and in Japan, too——?—Those are the countries I am alluding to.

26,988 The minister is also superintendent of trade?—He was so until a few years ago. The name was originally given to our agent who was stationed at Hong Kong before we had a representative at Peking. It has now been dropped.

26,989. Has the minister in Berlin, we will say, or in Paris, the same direct connexion with the trade of the country that the minister in China or Japan has?—At Paris we keep a commercial attaché specially to attend to commercial affairs in France and other European countries, Mr. Crowe. He is a man of very high attainments, and very well known. He occasionally goes to Berlin, and, certainly, Sir Edward Malet would give every attention he possibly could to all those questions.

26,990. My point is this: It is a definite part of the duties of the minister in China and Japan to take an interest in developing the trade of the country. Is the ambassador at Paris, or Berlin, or St. Petersburg, called upon to take the same interest in developing the interests of this country, so far as trade is concerned, there?—I should say that in European countries, which are more highly civilised, and where trade is much more organised, such a direct superintendence would not be required from Her Majesty's representative; but it certainly would be one of his principal duties to hear any complaints or any representations that may be made by British subjects interested in commerce, and to the utmost of his power to give them such support as he could properly afford them.

26,991. (*Mr. Maclure.*) Take the case of Berlin. Upon whom would matters connected with trade fall, upon the ambassador or upon the consul-general?—Do you mean in large or small affairs?

26,992. I mean general matters affecting commerce, *quâ* competition, restriction of imports, and all that sort of thing, would that work be consular?—No; any man who considered himself aggrieved could go to the ambassador. We are constantly receiving from the embassies reports of complaints made by British subjects who think they have been unfairly dealt with in regard to customs duties or matters of that kind.

26,993. (*Mr. Freeman-Mitford.*) Is not the only difference this: that whereas in the East our relations may be said to be entirely commercial, in Western Europe they are commercial and political as well, but that that latter fact does not absolve the minister from any commercial duties?—Certainly, but the ministers in the East have also important political duties.

26,994. (*Mr. Maclure.*) Would the commercial duties fall upon the consulate?—Not at all. The duty of protecting British subjects in their commercial interests, or in any interests that they have, falls upon the ambassador.

26,995. (*Mr. Hanbury.*) What proportion of the ambassador's duties are in any way connected with commerce or trade, judging by his despatches we will say?—An ambassador writes a great many despatches on commercial matters. I could give you an exact return of what they are.

26,996. I only want to get at it as a fact—does he take an interest in commercial matters?—He undoubtedly does. A great number of his despatches are connected with commercial affairs.

26,997. But are there no definite instructions given to him on the subject?—It is a main part of his duties. If there is a commercial treaty to be negotiated, he has to negotiate it, though probably specialists are sent to assist him. He has to pay constant attention to all commercial questions; he has to listen to all complaints; he has a regular commercial series of despatches. I do not think our ministers can be complained of for neglecting commercial affairs. For instance, we keep a political agent and consul-general in Sofia. I have seen lately a series of most interesting despatches on commercial questions from him. I think what I have said is the case in every instance, large and small.

26,998. You have given an instance of a consul-general, but I am taking the case of an ambassador who is not a consul-general, and who is not specially charged, as is the minister in China, with looking after our trade?—That really would not affect the question at all.

26,999. Whatever he may be called, whether he has the duties of a consul-general thrown on him, or whether he has the duties of an ambassador to perform, he is equally responsible for taking an interest in British trade?—I think the best way of putting it is that an ambassador or minister's duty is to look after British interests, and our commercial interests are naturally the most important.

27,000. Then what is the meaning of his having the duties of consul-general thrown on him in certain cases?—I am not prepared at the moment to put into the proper form of words the duties of a consul-general. In the few cases where our diplomatic representatives are consuls-general, the title was given for some technical reason, and does not affect their duties in regard to the protection of British interests.

27,001. (*Mr. Freeman-Mitford.*) Is it not the fact that the existing ambassadors who were not appointed from outside were secretaries of legations or secretaries of embassies since the time when the secretaries were called upon to draw up these reports on commercial matters?—Yes.

27,002. Consequently the ambassador must have attained a considerable knowledge of commercial matters?—Yes.

27,003. (*Chairman.*) I want to know the exact relation of the consul-general and the vice-consul to the embassy. Will you kindly look at page 27 of the Foreign Office list. You will see there that we have at Berlin an ambassador, a secretary, a military attaché, second secretaries, a third secretary, an honorary attaché, and then a consul-general and a vice-consul: these two are both Germans, and I presume not English subjects?—They are not English subjects. Mr. Bleichröder is the well known financier.

27,004. In Berlin what is the particular relation of the consul-general and the vice-consul to the embassy?—You see they are unpaid, except that Mr. Bleichröder

receives 35*l.* a year in lieu of fees hitherto retained by him. Their functions are, no doubt, to furnish the ambassador with information on commercial matters, also to perform certain notarial acts.

27,005. (*Mr. Fowler.*) The consul-general is not an Englishman, is he?—No, he is not.

27,006. Is not it the fact that the real interests of British trade in Germany are looked after by the embassy and not by the consulate?—Certainly.

27,007. Exclusively by the embassy?—Exclusively.

27,008. (*Mr. Freeman-Mitford.*) As to the fact that the duty of consul-general is attached to certain ministers in the East, is not that due to this, that the minister is serving in a country where the extra-territoriality clause is to be found in the treaty, and therefore the embassy or legation in that case is a kind of court of appeal as regards the consular courts which exist in those countries?—It was so before the Supreme Court for China and Japan was established.

27,009. (*Mr. Hanbury.*) How far are the consuls under the ambassador?—That is a very difficult question to answer offhand.

27,010. I want to know what the system of the hierarchy is, in what sense are these consuls—who are, of course, principally connected with trade—under the ambassador of the country in which they reside. Are they recognised as his subordinates, in any sense?—Certainly they are, they make their reports to him and they receive instructions from him.

27,011. How many commercial attachés have we got?—Two.

27,012. Where are they?—One (Mr. Crowe) is at Paris, and one is at St. Petersburg, and he is also attached to Persia and the Asiatic States of Turkey.

27,013. What are the special duties of these commercial attachés?—Their special duties are to report on commercial matters and they are generally employed by the embassy on all commercial questions.

27,014. To get information for the purposes of the report to the secretary?—That is entirely a thing apart, they have nothing at all to do with that—the secretary gets all his own information—their business is to deal with all commercial matters that come before the embassy; you see only two are kept.

27,015. That is my point, why are they only kept in those two places, and not in any others; if they are useful in Paris, why are they not useful elsewhere?—The want of them has not been so much felt. I imagine that our trade interests are very much larger in France. Mr. Law is the commercial agent in Russia. He was appointed a few years ago, because it was represented to us that he could be of very great use there. There were a great many commercial questions arising where special knowledge was required. Then, he also acts for Persia, because there also we have been pushing our commercial interests very much lately, and in the Asiatic provinces of Turkey there are very important commercial interests. The commercial attachés are also available for visiting places to collect local commercial information, or to inquire into complaints or trade disputes.

27,016. Do you know how many naval attachés we have?—We have one who is accredited to all the maritime courts.

27,017. Does he travel about from court to court?—Yes.

27,018. Have the Admiralty ever asked for an increase of naval attachés?—Not to my knowledge.

27,019. Does he send in full reports every year?—He sends in continual reports from whatever post he is visiting.

27,020. How long does his appointment last?—I cannot say that; he is appointed on the recommendation of the Admiralty.

27,021. (*Mr. Lawson.*) It has been alleged that this one gentleman is utterly unable to cope with the amount of work that he has to do, and that other Powers take more trouble in that way?—I have never heard of any complaint; certainly, if the Admiralty wish to appoint another, we should make no objection.

27,022. (*Mr. Hanbury.*) Have you had no request from the Admiralty for more naval attachés?—No, if we had we should make no objection to it, we do not pay them, and it would make no difference to us.

27,023. (*Chairman.*) What becomes of the reports?—They come to the Foreign Office, and are transmitted by us to the Admiralty.

27,024. (*Mr. Lawson.*) Are they confidential?—That depends, of course; some of them are confidential, and some of them are not.

27,025. (*Mr. Hanbury.*) I want to ask one other question as to outfits; take the case of an ambassador, for instance, what is his outfit?—It varies slightly, but, generally speaking, it is one-third of his salary on appointment and one-sixth on transfer.

27,026. Does he get paid a lump sum?—The outfit is a lump sum.

27,027. What is it supposed to be for?—That is to enable him to set up house in the new place he goes to, and to pay his travelling expenses to his new post.

27,028. By setting up house, what do you mean; does he go to a furnished house?—In places where there is a Government house the official reception rooms are furnished by the Government, but the bedrooms and living part of the house he has to furnish himself.

27,029. And the reception rooms are also furnished, I suppose, at the house that he has left. I want to know exactly what are the new circumstances that this outfit is supposed to meet?—There are very great expenses entailed on moving from one place to another, when a man has to move a large establishment with children, furniture, and everything of that sort.

27,030. (*Mr. Freeman-Mitford.*) Is not the allowance made on transfer, because it was felt that he could not sell his furniture on leaving a post except at a very great loss?—I think it is to meet the expenses entailed on removal from one post and his installation at another. It is quite evident, I think, that you could not change your house in London without being put to a very great expense, at least that is my experience, and certainly for an ambassador who has removed, say, from Rome to St. Petersburg, the expense must be very large indeed.

27,031. Does he get any other allowance besides this outfit?—No.

27,032. Nothing except the outfit?—Nothing except the outfit.

27,033. When he has a house in Paris or in Rome, what does that include; is everything paid for him, his rates and taxes, for instance?—He is exempt from rates and taxes.

27,034. What other payments are made by the State for him?—There is, I think, a small allowance for necessary repairs; if you will allow me, I will put in a paper stating the amount.

27,035. I want to know what, in addition to his salary, he really does get?—In places where there is no house he receives an allowance for house rent. In places where there is a house, he receives, I think, a small allowance for necessary repairs.

27,036. Are you now referring to the money that is borne on the Office of Works vote?—Yes.

27,037. That is only to enable him to repair a leaky pipe or a bad drain, for instance?—Yes.

27,038. (*Mr. Hanbury.*) I really want to know what other allowance, in addition to his salary, either in money or in kind, goes into the pocket of the ambassador?—Nothing from the Foreign Office.

27,039. Nothing whatever?—It must be shown in the estimates if it does.

27,040. All these things do not appear in the estimates; they appear in the appropriation account?—In any case it would be shown.

27,041. (*Chairman.*) Is not there a regular scale of outfit?—Yes.

27,042. According as to whether it is the first appointment or the second?—Yes.

27,043. I see on page 276 of the Foreign Office list that the scale of outfit on first appointment for the ambassador extraordinary and plenipotentiary for France is 4,000*l.* That appears to be a fixed sum?—That is a fixed sum.

27,044. Then on promotion 2,800*l.* What does promotion mean?—Promotion, in this connexion, would mean appointment to Paris after an ambassador has been unemployed for more than three and less than

Sir P. W. Currie, K.C.B.

14 Nov. 1889.

eight years. Transfer would mean going to Paris from another embassy.

27,045. Therefore, the present rule appears to be that there is a fixed sum with reference to each rank in the diplomatic service under the head of scale of outfit?—That is so.

27,046. (*Mr. Freeman-Mitford.*) There is no allowance to an ambassador or to a minister for repairs to his house, is there, but there is a sum provided in the estimates every year for ordinary maintenance and repair of each house, and some of that money may be expended by the ambassador himself, but there is no allowance to him, is there?—I think there is some small sum annually provided for necessary repairs to leaky pipes, as you put it.

27,047. But it is not paid as an allowance to an ambassador?—It is not paid as an allowance to him.

27,048. (*Mr. Hanbury.*) The work is, in fact, done for him?—There are, I believe, structural repairs carried out.

27,049. (*Mr. Maclure.*) Is not this the fact that in the case of large embassies Great Britain is the freeholder of the property, and any repairs that are requisite are done by the Office of Works and charged in the appropriation account. The ambassador has not a farthing to pay himself, and there is no allowance made to him?—I think there is a limited sum for necessary repairs; the object of that being to prevent demands for repairs.

27,050. (*Mr. Hanbury.*) Is that in addition to the sum which we see in the estimates for repairs?—It is certainly shown in the estimates.

27,051. What about travelling expenses?—That is a different thing altogether.

27,052. I want to include all the money that comes into the ambassador's pocket; how far does he get his travelling expenses; or is there an allowance for those?—There are fixed rules as to travelling expenses.

27,053. Do you mean a fixed yearly sum?—This is the rule on that: "Secretaries of embassy or legation, "second and third secretaries and attachés, will, on "their first appointment, or on any subsequent removal "for promotion, or other public reason, be allowed "their actual travelling expenses by land, or the "actual amount of their passages by sea, either from "England to their post, or from one foreign post to "another (in the case of secretaries of embassy or "legation, and of second secretaries the like expenses "will be allowed to them for one servant, if they have "one); and they will further be allowed subsistence "money for themselves, but not for their servant, at "the rate of 1*l.* a day while travelling by land, and by "sea if subsistence is not included in the passage "money. In the event of a passage being afforded to "secretaries or attachés on board of one of Her Majesty's "ships of war, the allowances made will be in con-"formity with the Admiralty Regulations; but the "travelling expenses and subsistence of the families "of secretaries or attachés will not be allowed. "No allowance will be made to members of the "diplomatic service for journeys undertaken for their "own convenience, in pursuance of leave of absence."

27,054. Is any allowance ever made to an ambassador in addition to his salary, as an honorarium for special work?—No instance has ever occurred in which any allowance has been made to an ambassador in addition to his salary as an honorarium for special work.

27,055. In the report of a committee of 1850, I see it was recommended "That no diplomatic salary should "exceed 5,000*l.* per annum, exclusive of an allowance "for residence." A good many of the salaries are very much in excess of that?—Yes, they are.

27,056. What is the reason for that recommendation not being anything like adopted?—The salaries are certainly not fixed higher than the requirements of the place. There is no ambassador, I believe, who can live within his salary. They are put to very great expense, and an expensive mode of living is necessarily required of them. They are expected to entertain, and it is necessary for the public interests, to a certain extent, that they should; it is the only way in which they can see much of the inhabitants of the country, of people of position, I mean, and it is a great assistance in obtaining information; it is a great assistance to their influence. In most courts they are called upon to entertain the sovereign of the country, and that, of course, can only be done by a man who lives well and who has a good house

27,057. But all these duties fell upon them at the time that this recommendation was made?—You ask me why their salaries are fixed at so high a rate, I can only give that reason.

27,058. There are now salaries nearly double the amount that the Committee of 1850 recommended should be paid?—Well, I should say that the expenses of living had enormously increased since 1850.

27,059. Have they increased a hundred per cent.?—I should say so, certainly.

27,060. Would you justify the increased salary by the great rise in the cost of living?—Yes.

27,061. Can you tell me at the present moment what proportion the pension list of the diplomatic list bears to the cost of the active service?—The proportion the pension list of the diplomatic service bears to the salaries of the active list is as 1 to 6·718 or 14·88 per cent.

27,062–3. Can you give me some information about the pensions, as to the scale on which they are paid?—The ambassador is entitled to a pension after he has fulfilled his term of service, which is 15 years in the service, and three years with the rank of ambassador. He is then entitled to 1,700*l.* a year.

27,064. (*Mr. Lawson.*) May I interrupt you and ask whether only diplomatic service is included in the term?—Only diplomatic service.

27,065. And not necessarily continuous?—I will read the regulation. "After the commencement of this Act," that is, the Act of 1869, "the Treasury, on "the recommendation of the Secretary of State, may "grant pensions during life to persons in Her Majesty's "diplomatic service, not exceeding the salary which "the pensioner may be receiving at the time that his "active employment ceases, and not exceeding the "following amounts; namely,—

"(1.) 1,700*l.* per annum for a first-class pension.
"(2.) 1,300*l.* per annum for a second-class pension.
"(3.) 900*l.* per annum for a third-class pension.
"(4.) 700*l.* per annum for a fourth-class pension."

27,066. I see there are 34 persons in receipt of such pensions, and that the superannuation allowance for 1889–90 amounted to 23,098*l.* for the diplomatic services. The compensation allowance is 523*l.*, and the compassionate allowance is 273*l.*, making a total of 24,304*l.*, being a decrease of 710*l.* on the preceding year. I have been comparing the amount voted last year with that which appears on the report of the Committee for 1871. That Committee say that in that year the diplomatic service vote was 215,876*l.*, of which 151,000*l.* is salaries and house rent of the members of the diplomatic service, and that in 1869 the total amount had been 203,510*l.* I see the total amount is now 239,048*l.*, and that the salaries and rent allowances amount to 178,738*l.* What is, generally speaking, the reason for the increase of that vote for salaries and rent allowances. It is a considerable increase, you see it is an increase in one item of 27,000*l.* since 1871?—I am afraid I must ask you to reserve that. I will have a statement drawn up.

27,067. Is it because of the legations which have been established in South America?—No, I should say it could not have anything to do with that, if it is increase of rent allowance.

27,068. Salaries and rent allowances together?—As I have promised I will have a return put in.

27,069. Could you tell us if there has been a diminution or an increase in the numbers of resident ministers, and in that I include, of course, the ministers plenipotentiary and ambassadors for the whole service since the Committee sat in 1871?—The missions in Germany have been reduced since that date.

27,070. The Committee of 1871 in their main report said, "In the present condition of Europe, and "especially of the central part of it, your Committee "are not prepared to recommend an immediate reduc-"tion of the smaller German missions; but they are "of opinion that there is a reasonable likelihood, at no "very distant date, that there may cease to be any "good grounds for maintaining some of them, and "they recommend that the Secretary of State should "take an early opportunity of considering whether "any, and if any, which of them, may be discontinued "without public injury." And in the minority report drawn by Mr. Rylands, that is, of course, recommended in a much more empatic way. As I understand, you could not say whether anything has been done

hitherto to carry that out?—The German missions have been reduced, but diplomatic representatives have been appointed to Bucharest, Belgrade, Sofia, and Cettinje.

27,071. Is there any special date fixed when it is proposed to amalgamate?—It would depend on the retirement of the present holders of the post.

27,072. Would it depend upon that entirely?—I think so.

27,073. Have any steps been taken to reduce the establishments at those different ports?—The establishments are already, I think, at a minimum.

27,074. I have the "Almanach de Gotha" here, and I find that we have the happiness, at Wurtemburg, of being represented by two gentlemen, the minister resident and a secretary of legation, whereas France has only one and Italy has only one. I do not want to enter into questions of policy, but at first sight it does seem that there is less reason for our having a full legation there than for France. I do not know whether there is any special reason why at Wurtemberg we should be so represented?—The secretary there is a third secretary.

27,075. May we say that all those small German courts besides the minister, where there is one, there is also a secretary of legation?—There is no secretary of legation at these small courts.

27,076. At Wurtemberg there is?—Yes, a third secretary.

27,077. Has it been proposed—I do not ask you whether it is advisable or not—to amalgamate Wurtemberg with the other small German States where we have representatives?—That has been under contemplation.

27,078. In the note we have read out from the estimates, Munich, Darmstadt, and Stuttgart are referred to, but Coburg is not?—Coburg is a separate affair altogether.

27,079. Could you tell us in how many embassies and legations a chaplain is retained. I believe there is a chaplain in Austria, Denmark, Greece, Spain, and Turkey, and that these gentlemen are all paid 300*l.* a year, and that some of them have an extra 100*l.* a year for house rent?—There are chaplains at Vienna, Copenhagen, Madrid, Athens, Constantinople, and Pekin.

27,080. A chaplain is not put down for Stockholm in the estimates?—The chaplain at Stockholm is not paid. At Copenhagen, the reason given for the maintenance of the chaplain is that there are so many British sailors who frequent the place. At Madrid, it appears that in the times when Protestants had great difficulties in celebrating worship a chaplain was kept in order to give them facilities within the legation, and that has gone on. At Athens, where the chaplain only receives 100*l.*, the reason given is that there is an English church, and that if the chaplain was not paid it would fall into disuse altogether.

27,081. Without entering into the reasons for keeping them, may I ask whether it is proposed to reduce the number of chaplains or to do away with them altogether?—I do not think that there is any proposal at present for doing that.

27,082. Have these chaplains pension rights?—I imagine they have.

27,083. Are they part of the diplomatic establishment of the country?—Yes.

27,084. Under what conditions do they hold office?—To perform service, I suppose.

27,085. How are they selected?—They are appointed by the Secretary of State.

27,086. With or without examination?—I suppose the fact that a man is a clergyman of the Church of England shows that he has passed some examination. I think they are generally appointed on the recommendation of the Bishop under whose jurisdiction they come.

27,087. It is not proposed to increase the number of chaplains, is it?—Certainly not. I believe the reason why they are not maintained at Berlin and Paris is that at Berlin and Paris sufficient church accommodation is supplied without any contribution from the State.

27,088. Is there any particular system pursued in the distribution of chaplains?—Formerly chaplains were maintained at every place, they have now been reduced, except at those places where there seemed some special reason for maintaining them.

27,089. Has any step been taken to find out whether these gentlemen are really required at the different places now?—I think an opinion has been expressed several times in the House of Commons in favour of the reduction of all chaplaincies, and the greater number of them have been abolished. The few who remain have been kept up for some special reasons which I have given the Commission so far as I could. With regard to Teheran I think there is a chaplain kept up by the Church Missionary Association.

27,090. I think you will find that at Constantinople there is an English church?—There is an embassy chaplain at Constantinople. That appointment has existed since 1825, the chaplain having previously been paid by the Levant Company.

27,091. Can you tell us with respect to the physicians whether it is proposed to retain them at Constantinople as well as at Teheran; is it necessary to have one at Constantinople now?—I believe it is. I think that his services are very much wanted there in connexion with quarantine.

27,092. What relation do the dragomans at Constantinople bear to the embassy, are they part of the diplomatic service?—You will find the chief dragoman, Sir Alfred Sandison, is specially attached to the embassy, and has been for many years. Then we come to two more dragomans, one, Mr. Stavrides, specially attached to the consulate. The next one, Mr. Marinitch, is attached to the embassy. They do the translating and interpreting work of the embassy. I may mention that we have of late years instituted a system for the Levant of training young men for the consular and interpretorial services, and of the corps which has been created by that system, Mr. Block and Mr. Alvarez are attached one to the embassy and the other to the consul-general.

27,093. But there are several gentlemen, I think, there now who are receiving allowances for a knowledge of Turkish?—That is a system which was established in accordance with the recommendations of the committee. A special allowance of 100*l.* a year is given to any junior member of the diplomatic service who qualifies in Russian, Turkish, Arabic, Persian, Chinese, or Japanese.

27,094. That does not seem to have done away with the necessity of having these translators?—It was not intended to do that, I think.

27,095. (*Mr. Hanbury.*) Are there translators in other countries besides the East, in Spain, for instance?—In Spain there is a man who is consul and translator.

27,096. Are the secretaries and the staff of the embassy or of the ministry not supposed to know the language of the country?—I think the junior members of the embassy are, as a rule, well acquainted with it, but of course there are always a certain number of documents to be translated, and you will not find at European Courts any man who is a translator only, without having other duties to perform.

27,097. (*Mr. Lawson.*) In Persia you have an Oriental second secretary and an interpreter too; I should have thought that these functions were identical?—In Persia we have been obliged to increase the interpretorial staff in consequence of the great increase of business, and with a view to economy we have obtained the services of a gentleman who has retired from the Indian army, and is in receipt of an Indian pension. He has accepted a very moderate salary, and a temporary appointment, with no claim to pension. He does not appear in the present estimates; he will appear in the next ones.

27,098. Will your establishment at Teheran be increased?—It will be somewhat increased. The Oriental second secretary was the only man we had who could do what is called the dragoman business, that is, converse with the Shah and his ministers, and it was found absolutely necessary to have someone else. For that purpose we have got General Gordon.

27,099. Have you any rule laid down as to the establishments at the different capitals. Have you an ideal scheme?—No, but of course we can only increase them by the consent of the Treasury, and they very frequently are reduced. As far as possible, we adapt them to the necessities of the case. When business increases, we get constant applications from the ambassador or minister for more assistance, and then we endeavour as far as possible to meet it in the case of ordinary secretaries and attachés by taking away people from other posts where they are not so much required.

Sir P. W. Currie, K.C.B.

14 Nov. 1889.

27,100. You pay, I believe, special allowances to secretaries in the diplomatic service for a knowledge of Arabic, Turkish, Russian, Persian, and Japanese, do not you?—Yes.

27,101. What use is that in practice when you have to retain interpreters in all those capitals for the special purpose of translation?—That is granted for an ordinary knowledge of the language, but it would not enable a man to translate documents. It is more of a colloquial knowledge (I think it is stated so), which is a very different thing from being able to draw up a paper in the foreign language, or to translate a very difficult paper.

27,102. Do you think that the recommendations of the different committees have in this respect been fully carried out, and that the examination does ensure a real knowledge of these things?—It is a strict examination of a formal kind.

27,103. It is not passed as a matter of course?—Certainly not. In Japan, for instance, the examination is carried out by the Japanese secretary; he is an Englishman, but is the secretary for that language.

27,104. As a matter of practice, these secretaries of the different legations, and very often the attachés, if there are any, do pass in the languages in the capitals of the countries where these particular tongues are spoken?—They frequently do.

27,105. I mean that it is quite an exception when they do not; is that so?—That I could not say; a number of them do. At the Foreign Office we accept the certificate that is sent home by the ambassador or minister, and that certificate is based on the report of the officer on the interpretorial staff who has held the formal examination.

27,106. Is Chinese one of the languages?—Chinese is one.

27,107. I suppose that these estimates and this category of countries are slightly imperfect, because I notice that Cairo, which is for all practical purposes a legation, is not included?—Cairo is not a legation, because Egypt is not an independent country.

27,108. I know; technically it is an agency?—In consequence of the very great increase of work at Cairo, several members of the diplomatic service are attached to the agency.

27,109. Do you not send secretaries to Cairo as regularly as to any other capital?—Only quite recently, since the work has become greater; we used not to formerly.

27,110. Where should we find the estimates for Cairo; under the head of consular service?—Under the head of Egypt; partly in the diplomatic and partly in the Consular Vote.

27,111. There is an officer in Constantinople who goes in the estimates by the name of the archivist; what is he?—Formerly there was an officer in the embassy who had special charge of the archives, Mr. Pisani, and on his retirement it was decided to abolish the post, and to give an allowance to one of the regular secretaries for having the custody of the archives.

27,112. I want to know why, in Turkey, the secretary is specially paid for taking charge of the archives, although I presume they have to do it at every other embassy without a special allowance?—Because the embassy at Constantinople is on a very much larger scale than any of the others; it is more like a Government office; there is an enormous correspondence with all the consuls, and a great deal to be done of every sort and kind, and, when the archivist was abolished, I think it was my proposal that we might economise in that direction, and a large economy was made. I think the archivist received a salary of 900*l.* a year, and in lieu of that we gave a small allowance divided between two of the second secretaries to perform his duties, which are more onerous a great deal than the duties of a similar kind at the other embassies.

27,113. Do you think there is a sufficient reason for having a physician at Constantinople, getting 300*l.* a year in addition to 400*l.* a year which he receives as delegate to the Board of Health?—I am afraid I could not offer an opinion on that.

27,114. That gentleman holds two offices, and it strikes me that 700*l.* a year is rather an excessive salary, comparing it with the salaries of other physicians at other embassies?—I will have that inquired into.

27,115. I should now like to ask you whether, from the point of view of the embassies, the system of exchange between the Foreign Office and the embassies has worked well according to their reports?—I do not think we have any formal reports from them, but from what I know of their views on the subject, and what I have gathered in conversation with them, I think they are decidedly favourable to it.

27,116. Is not it the fact, that the only way that a young diplomatist can show any special proficiency, or knowledge or intelligence, would be by selecting for himself probably some subject to report upon, and then sending it in voluntarily to the Foreign Office?—He would send it through his ambassador, and they very frequently do that. Some of the junior members of the diplomatic service are people of very remarkable ability. The ambassador may at any moment, if he wants any question reported upon in the country where he resides, send one of his secretaries to the spot, and, if he considers it of sufficient importance, that report is sent to the Foreign Office, and if it is of special interest it is very often laid before Parliament.

27,117. I believe it is true that in a great number of cases the attachés or secretaries select for themselves the matter which they investigate, and then it rests with you whether the public or Parliament shall have the benefit of the report?—We should not lay it before Parliament unless we thought it was of some public interest.

27,118. That would give you the knowledge that you have of the merits and qualifications of those members of the diplomatic service, would it not?—Yes; but I think we have other means of arriving at that. The private secretary especially is in constant correspondence with the various members of the Service. Naturally, the minister or the ambassador would write to him and say, so-and-so is a very good man, I hope you will not take him away; I hope you will leave him here. We hear in that way all about the different men.

27,119. But that is not quite direct, and your only knowledge of them springs from these reports?—If a man draws up an able report, it enables us to judge of his merits.

27,120. The Committee of 1871 recommended a rule that was passed in 1886. They said these reports should be duly considered before any promotion or increase of pay be accorded to the subject of them. Do you believe that you would obtain a better knowledge of the merits of the different members of the Service, if you got separate reports with regard to each of them?—I do not think it is necessary or desirable that there should be formal reports; but I believe they are documents on which you can place no real reliance. I think you gain very much more correct information as to the men from informal conversations and letters and from general knowledge.

27,121. As a matter of course, the different ambassadors or ministers can form a very accurate opinion as to the merits of each subordinate, as they are in daily contact with them. Why should not the ambassador or minister write an informal report?—As a matter of experience, I think, one cannot expect a minister or ambassador who is living in habits of daily intercourse with his subordinates to sit down at the beginning of the year and in cold blood write a long statement of their demerits.

27,122. (*Mr. Hanbury.*) But does not the commanding officer of a regiment do that with his subordinates?—Are they worth much? You may judge, perhaps, better of whether a man is a good officer and a good drill and things of that sort, but the merits of an attaché or of a secretary are of a less precise kind. It is his business to make himself socially agreeable and to do all the work he is told, but the qualities of an attaché are not so exact or precise as the qualities of a military man.

27,123. Surely he has got some duties besides making himself socially agreeable?—That is only one of his duties; he has to do the work of the embassy generally.

27,124. (*Mr. Lawson.*) As a matter of course, it is well known that the work of the embassies and legations has immensely decreased of late years?—I am not aware of that; I should have said it has largely increased.

27,125. I am not taking ambassador's work particularly, but I should have thought when there is so much sent by telegraph now, that there was less writing done at any particular embassy than there used to be?

—I do not think so. I should have said the contrary. I should have said that the work has increased. The telegraph does not prevent the necessity for despatches, and then the general increase of affairs all over the world has had, I think, a tendency to increase the work.

27,126. So far as you know, in most of the capitals, is the time of the different members fully taken up?—Yes, I should say very fairly taken up.

27,127. What sort of hours do they keep at the embassies? Of course, you cannot fix them exactly, as they are not quite so regular as in London?—I have not much experience to guide me, except at Paris. At Paris, I should say they were employed for about six hours a day.

27,128. Six hours?—I should think something of that kind.

27,129. Of course, you would not like to test their work by that method. You do not think that their work depends upon the number of hours during which they are occupied?—I think their business is to do what they are called upon to do. The amount of work is necessarily fluctuating. At times there is a good deal to do; at other times there is not much to do. I do not suppose that in any of the embassies regular hours are enforced as they are in public offices. I do not think it would be necessary or desirable that they should be. The embassy is no doubt kept open for a certain number of hours every day; if there is much doing all the men are there, if there is not much doing, probably the attendance of one or two at a time is sufficient.

27,130. The amount of business at a given capital would only vary from time to time, and in some places there would be a practical decrease, not owing to general causes but owing to special causes?—It varies enormously. Then there is another point that I would make with regard to the regular hours of attendance. A member of an embassy is liable to be called upon at any moment to decipher telegrams or to attend to business that comes in during the night. I have been abroad at some posts, and I have seen some of the men called out after dinner to do two or three hours work.

27,131. Anyhow, there are no particular means of reducing or increasing an establishment at a particular place from time to time?—I think it is desirable to keep the system as elastic as may be. We are constantly reducing the establishment where we find there is not much going on in order to increase it at another place where there is more work. As I said, when we receive an application from the ambassador for more assistance, we try to meet it.

27,132. Are complaints made in the diplomatic service now of any great stagnation in the way of promotion?—There has not been as much promotion, no doubt, as the members of the Service would wish.

27,133. Is it slower now than it used to be?—The abolition of the small Italian and German courts produced, for a length of time, a complete block in the Service, which lasted for many years, and I do not think the Service has ever recovered from that.

27,134. Then the appointment of outsiders to high posts would also increase the block?—The appointment of outsiders is not, of course, very agreeable to the members of the diplomatic service.

27,135. Do you think that has a prejudicial effect upon their work?—I have no reason to think it has.

27,136. It is said to be so in several establishments at home, in some cases?—Yes, but I think there are compensations to men in the diplomatic service.

27,137. I understand that you would be strongly against doing away with the requirements as to private means, which you insist upon in the case of the diplomatic service?—I think it would be impossible to do away with it, you could not send people abroad to starve.

27,138. Do you get quite the same class of candidates, from the point of view of knowledge and intelligence, for the diplomatic service that you do for the Foreign Office?—I think so.

27,139. Do you think the standard of examination is as high?—I think so.

27,140. (*Mr. Fowler.*) What reduction has taken place in the German courts in the diplomatic establishment since the creation of the German Empire?—There were full missions, formerly at Hanover, Stuttgardt, Munich, and Dresden.

27,141. (*Mr. Hanbury.*) Was that the case at Darmstadt?—I do not remember whether Darmstadt was on the same footing. Then there was Baden. I could not give the exact numbers; when I first entered the Foreign Office there were at the courts I have named full missions, an envoy extraordinary, a secretary of legation, and two or three junior secretaries; therefore, the German establishment was then a very large one. Then in Italy there was a first-class mission at Turin and first-class missions at Florence and Naples.

27,142. (*Mr. Fowler.*) But that is all done away with now?—Yes.

27,143. For all political purposes, so far as the foreign policy of this country is concerned with Germany, Berlin and Berlin only is the place that we need trouble ourselves about?—Berlin is the only place where we should, of course, carry on negotiations, but the others are centres of political interest.

27,144. Centres of political interests and also, perhaps, centres of commercial importance?—Yes.

27,145. Why is it that at any one of those other places in Germany outside Berlin the duties cannot be discharged by a consul?—I do not think that a consul could be of the same use in obtaining information—he would not have access to the same houses.

27,146. Do you mean political information or commercial information?—I mean political information primarily.

27,147. Do we want political information from Munich, say?—I think it is of very great interest, and there may be moments when it may be of very great importance.

27,148. (*Mr. Hanbury.*) Do we want it more at Munich than at Buda Pesth, for instance?—We have a gentleman at Pesth who is nominally a consul, but he is really one of the secretaries of the embassy at Vienna. In Hungary you cannot keep an independent representative, because Hungary is a part of the Austro-Hungarian Empire, and the whole of the diplomatic representation must necessarily be at Vienna, whereas Bavaria still keeps the position of an independent kingdom.

27,149. (*Mr. Fowler.*) Exactly, but by the German Constitution is not Bavaria absolutely prohibited from having any foreign policy?—She cannot have any independent foreign policy, but her right to receive diplomatic representatives is recognised.

27,150. She can receive diplomatic representatives, but Bavaria could not communicate with Whitehall on any question of foreign policy affecting the German empire?—Certainly not.

27,151. Nor affecting Bavaria?—Not on questions of external policy.

27,152-3. What political information can be needed from a centre of that sort beyond gossip? For diplomatic and military purposes Bavaria, Wurtemberg, Darmstadt, Coburg, Saxony, are all parts of the German empire, are not they?—Yes; for military purposes, and for external relations.

27,154. In their external relations and for military purposes they all form part of the German empire, do not they?—They all form part of the German empire.

27,155. Do the ministers at Bavaria and Darmstadt and Coburg, and those various smaller courts have regular diplomatic audiences of the ministers of the Sovereign, and communicate the results of those audiences in the despatches to the Foreign Office?—They communicate the conversations that they hold.

27,156. On external political questions?—Not on external political questions, but the information that they obtain they communicate.

27,157. (*Mr. Hanbury.*) Do you mean conversations as opposed to mere formal audiences?—It is not necessary that they should ask for formal audiences.

27,158. (*Mr. Fowler.*) Supposing that you had a free hand, and we were commencing *de novo*, would you propose to establish missions at these various places in Germany, or would you establish strong commercial consulates?—I should prefer to have a man with a diplomatic position.

27,159. Where do you draw the line as to places where the diplomatic position is necessary, and the consular is insufficient?—At any places where there is anything in the nature of a court, I think it is very desirable that you should have a representative of

Sir P. W. Currie, K.C.B.

14 Nov. 1889.

diplomatic rank, in order that he may have access to the society of the place on equal terms.

27,160. Is that for purely social reasons?—It is, because, unless he has access to the court, he has not the same means of obtaining information.

27,161. (*Mr. Lawson.*) But there is no foreign minister in some of those places, no man who is called a Minister of Foreign Affairs?—Yes, they each have a Minister of Foreign Affairs.

27,162. They do not call them so, they call them Ministers d'Etat?—Well, I am subject to correction.

27,163. (*Mr. Fowler.*) Then officially you are not of opinion that any further reduction could be made?—I should regret to see those posts abolished altogether.

27,164. That is hardly an answer to my question. I have no doubt you would regret it. We regret a great many things in our life, though it may be for the public good that they should be altered. What I want to ask you is, what is your opinion officially as a public officer having regard to the interests of the public service, whether there could or could not be any further diminution in our diplomatic establishments inside the German empire?—I would say it is undesirable to abolish those posts.

27,165. (*Mr. Lawson.*) But you are proposing to amalgamate them?—I said to abolish.

27,166. You are proposing to amalgamate three of them, Munich, Darmstadt, and Stuttgart?—I should have said that was going rather far. I would not mind amalgamating Stuttgart and Darmstadt.

27,167. I see by the Almanach de Gotha that the minister to Coburg is minister to some other places as well?—He is a chargé d'affairs, and is accredited only to Coburg.

27,168. Does that apply to other States?—There is Dresden.

27,169. (*Mr. Hanbury.*) Would not your object be met by having an official of the same rank as we send to Buda-Pesth?—No, certainly not, because there are courts at all these places, that is the great difference.

27,170. I understand there is a court at Buda-Pesth?—When there is a court at Buda-Pesth it is the court of the Austro-Hungarian empire; where we are most fully represented. It is no separate court, that is the great difference there.

27,171-2. (*Mr. Lawson.*) I just take by accident Saxe-Meningen, and I see that we are represented there by Baron Tauchnitz, who is the consul-general at Leipzig?—Baron Tauchnitz's consular district includes Saxe-Meningen.

27,173. (*Mr. Fowler.*) We have but one minister and one diplomatic representative in the whole of the United States?—You could not have more than one diplomatic representative in one country.

27,174. Each State in the United States has its own separate government and its own separate governor; and in the large towns—Boston, New York, Philadelphia, and so on, you are represented by consular officers?—That is a totally different state of things.

27,175. I only want to get this perfectly clear. In America we have but one diplomatic representative, that at Washington, and all the rest of the Foreign Office work in the whole of the United States is done through consuls, is not that so?—Certainly; but then you have only one government to deal with in the United States, whereas in Germany you have many.

27,176. You have only one government in the German empire with whose external relations or military policy you can deal. In Italy, again, there is no minister except at Rome?—But the same state of things does not exist in Italy; there are no independent sovereigns.

27,177. I perfectly appreciate your point, there is no court except the court at Rome, and I do not want to put it any stronger than you yourself put it; but what I understand you to mean is this, that there are social functions and social exigencies at a court in residence where it is desirable that there should be a diplomatic representative on behalf of this country?—Certainly.

27,178. Taking the expenditure of the diplomatic establishment as a whole, do you consider that it is extravagant?—I think not. I think you must admit that the diplomatic service is, to a certain extent, a service of representation as well as of business.

27,179. Let us take the two great embassies of Berlin and Paris, why should there be so large a difference in the cost of the one as compared with the cost of the other. Why, in other words, should the ambassador at Paris receive several hundreds a year more than the ambassador at Berlin?—I think the reason for it is that living is more expensive at Paris than it is at Berlin. I imagine that anyone who tries to keep a great house in Paris will find it a very much more expensive affair than to keep a great house in Berlin.

27,180. Then may we take it that there is no official or political reason for the difference, and that it is purely a question of pecuniary equivalent?—Purely.

27,181. (*Mr. Lawson.*) But if the expense of living is the test, is not Washington about three times as expensive as Paris or Berlin?—I think not.

27,182. In regard to the living, I mean. I am not talking of anything else?—I think the necessary scale of living is probably very much less in Washington. I certainly have not heard the same complaints from there. I believe it would be more easy for a minister in Washington to live upon his salary, which, I think, is 6,000*l.* a year, than for the ambassador at Paris to live upon his salary of 9,000*l.* a year, but can only speak by report as I am not a member of the diplomatic service myself.

27,183. (*Chairman.*) When you say "live," do you include the ordinary entertainments which an ambassador is bound to give?—Certainly, everything.

27,184. (*Mr. Fowler.*) What I want to clear up is, that the discrepancy of salary between the various ambassadors has nothing whatever to do with their individual rank or with the position of the courts to whom they are accredited—it is purely a matter of economical arrangement, in order to equalise them as far as possible, having regard to the diverse cost of living at the various capitals?—Entirely.

27,185. With regard to the second class of ministers, is there not a much wider range of difference between them than there is between the ambassadors?—Yes.

27,186. Do not you think there can be more equality introduced there?—I think it is desirable not to fix too hard and fast a line; because there again there are such very great differences of expense. Sometimes, with regard to individuals the question of salary may be a difficulty; a man may have had a post worth rather a higher salary, and if he is transferred there is a difficulty.

27,187. Do you vary the salaries according to the men or according to the posts?—Each post has its salary attached to it.

27,188. Then you do not vary that salary according to the man that fills it?—Not as a rule, but they have occasionally been varied.

27,189. (*Mr. Lawson.*) Take Belgium for instance. I see the salary there is 3,230*l.*—230*l.* more than most of the other legations. Has that been varied?—It was reduced 250*l.* a year a very few years ago.

27,190. Is that a fixed salary or is that the salary that has been given to the present occupant?—It is a fixed salary—I think that Belgium is a place where the minister is put to great expense. It is a place where a great many English people are constantly visiting, and it is a place where there is a great deal of society and entertaining. I do not think that it is at all overpaid.

27,191. I only ask you because the 230*l.* appears there and in no other salary?—The present figure, I think, represents a reduction.

27,192. (*Mr. Fowler.*) Now coming to the ministers, whose salaries vary from 6,000*l.* to 1,250*l.*—that represents a much wider difference?—Most of the lowest salaries are in South America, where the ministers have less duties of representation.

27,193. I do not ask you for a general fixed rule, but I want to know whether inside a fair amount of elasticity there could not be a more levelling up or levelling down as the case might be?—I think one should only compare what are called the first-class missions. I do not think we see those anywhere separated. Take, we will say, Washington, the Hague, Brussels, Lisbon, Stockholm, and Athens—you may treat those as first-class missions, and I do not think you would find any undue divergence of salary in them. Then take Pekin, that is highly

paid, but the expenses are great there, and of course it is a very important place, but when you come to the South American States, Bucharest, Belgrade, Tangiers, and Bangkok, you get a lower scale. The salaries are adjusted, as far as possible, to meet the requirements of each case.

Sir P. W. Currie, K.C.B.

14 Nov. 1889.

The witness withdrew.

Adjourned.

SEVENTY-NINTH DAY.

7, Whitehall Place, Westminster, S.W., Wednesday, December 11th, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

Rt. Hon. H. H. FOWLER, M.P.
Mr. A. B. FREEMAN-MITFORD, C.B.
Mr. J. CLEGHORN.
Mr. A. S. HARVEY.
Mr. H. W. LAWSON, M.P.
Mr. H. WALPOLE, C.B. *Secretary.*

Sir PERCY ANDERSON, K.C.M.G., called and examined.

27,194. (*Chairman.*) You are the senior clerk of the Consular Department of the Foreign Office?—Of the African and the Consular Department.

27,195. I think you yourself have seen a good deal of the diplomatic service?—Yes, I have.

27,196. Did you not commence in one of the departments of the Foreign Office, and then go into the diplomatic service, coming back to the Foreign Office afterwards?—I have been occasionally employed abroad.

27,197. The Foreign Office has sent us a memorandum on the consular service which I think very likely you have before you?—Yes, I have.

27,198. I observe that in that memorandum, reference is made to the reports of the Committees of 1858 and 1872, and then it proceeds to deal under various paragraphs with the recommendations made by those Committees?—Yes.

27,199. I should like to ask you first how consuls are appointed?—They are nominated by the Secretary of State, then as a rule they have to pass an examination, and if they pass the examination, they go to their posts.

27,200. Are those the consuls that are spoken of in paragraph 4 of your paper as being "Those who "enter the service as a career after passing an exami- "nation before the Civil Service Commissioners, and "are prohibited from trading"?—Yes; we call them consuls (we use ordinarily the French word) *de carrière*, as describing exactly what they are.

27,201. From what classes are those gentlemen generally nominated by the Secretary of State?—That is entirely at the discretion of the Secretary of State.

27,202. How many of those consuls are there?—I could not say the number. The consuls-general and consuls are, almost without exception, nominated in that way.

27,203. They are the regular consular service?—Yes.

27,204. Then members of the other class are specified there as "Those either engaged in trade, or who are permitted to do so"?—Yes, a few consuls, mostly vice-consuls. As a rule we always try to get for those posts gentlemen who are in trade at the port at which they are nominated, who are in a good position and have fair incomes, and who are ready to serve in the consular service because it suits them to do so. They give their services gratuitously.

27,205. Those gentlemen, I suppose, are usually foreigners?—Not necessarily: they are always residents at the place at which they act.

27,206. (*Mr. Freeman-Mitford.*) Not necessarily foreigners?—No; in fact we always by preference get an Englishman.

27,207. They are glad to accept it, I suppose, because it gives them a certain status at the port?—Yes.

27,208. That is their reason?—Yes, that is their reason. If we cannot get a qualified Englishman we get the best foreigner we can.

Sir P. Anderson, K.C.M.G.

11 Dec. 1889.

27,209. (*Mr. Cleghorn.*) Is there any pay attached to the office?—There is no pay, but we give office allowances to cover their outgoings, or allowances in lieu of fees.

27,210. But no fixed salaries?—No fixed salaries. There are one or two exceptions, but those we are doing away with. We are getting as far as possible into a regular rule that the trading consular officer has no salary.

27,211. (*Mr. Lawson.*) May I ask what those exceptions are. I do not want you to enumerate in what part of the world they occur, but as to their salary and position?—We have trading vice-consuls all over the world; nearly 500 of them.

27,212. You said there were some who still survive under an old system and who are being gradually got rid of?—I was alluding to consuls. Speaking from memory, without referring, I think there are one or two in South America.

27,213. That is all?—Yes; or nearly so.

27,214. (*Chairman.*) Then I observe you say in the memorandum: "This classification is found to work "well, and to ensure uniformity and good discipline"?—Yes, it works well.

27,215. With respect to the prohibition of consuls from trading, this memorandum says it has been recommended, so far as possible, that it should be carried out, but that "to make it universal as regards all consuls "and vice-consuls would entail enormous additional "expense if the present staff were retained, while "serious inconvenience would be caused to British "commerce if all consular posts were abolished, which, "though useful, have not sufficient business to justify "a salaried officer"?—Yes. I was not myself before either of the Committees that are mentioned in the memorandum, and so I cannot say exactly what was the idea that was being followed up, but I am quite sure it cannot have been present to them what an enormous expenditure would be entailed by making the whole consular service a paid service. We have 500 vice-consuls, and the great majority of them are unpaid trading officers. Supposing we were to pay them, each would represent, as nearly as possible, an expenditure of 500*l.* a year. You can see at once what the expenditure would be; 500*l.* a year to 500 men would be a quarter of a million. On the other hand, to abolish all the trading posts would be a most serious injury to our shipping, for which principally they are established. They are appointed at small ports; the ships coming there require certain services which it is necessary to have a consular officer to perform; if we did away with the posts the shipping interests would undoubtedly

Sir P. Anderson, K.C.M.G.

11 Dec. 1889.

complain, therefore it is worth while to keep them. In fact it is necessary to maintain them, but we cannot afford to pay them. It is a question of economy, but not of that alone; I should go further than that; I think it is a question of efficiency, too. Primarily, however, it is a question of economy.

27,216. (*Mr. Cleghorn.*) Do you find a sufficient number of gentlemen who are willing and able to discharge the duties without pay?—Yes, we have found it so.

27,217. (*Chairman.*) Can you roughly give us the number of paid consuls—the regular consular corps?—I do not think I have got the number of them here, but they fill two columns on pages 13 and 14 of the Foreign Office list.

27,218. Then over and above those two classes, separating them into two classes, there is the service which was organised in 1876 by Sir Philip Currie?—Yes, in the Levant.

27,219. In the Levant, Persia, Greece, and Morocco?—Yes.

27,220. (*Mr. Lawson.*) Had Sir Philip Currie made a tour of inspection?—No, but when he was at Constantinople with Lord Salisbury he looked into this question.

27,221. (*Mr. Freeman-Mitford.*) The difference between that particular service and the ordinary consular service is that, like the service in China and Japan, it is really an interpretorial service as well, is it not?—To begin with, it is.

27,222. That is what I mean?—I should say that we have been obliged now to suspend the introduction into the service, because there is not a sufficient flow of promotion, and we have got as many men as we think we can manage.

27,223. (*Mr. Lawson.*) Is there any examination for what they call the interpretorial and consular work?—The examination, when they come in, is an examination for what is called the student interpreter service. After they have been two years at Ortakeui they have a further examination, which qualifies them to be assistants; and after they have been assistants for a certain length of time, they must pass a further examination before they become vice-consuls.

27,224. I believe the head of the establishment at Ortakeui is one of the secretaries in the embassy, is he not?—Yes. he is.

27,225. Is he selected because of his fitness for undertaking that sort of work?—Yes.

27,226. On the recommendation of the ambassador at Constantinople?—In consultation with the ambassador.

27,227. (*Mr. Harvey.*) As to the general consular service to which you refer under this sub-head (*a*), that is, "Those who enter the service as a career after pass-"ing the examination before the Civil Service Com-"missioners." Is that a competitive examination?—No.

27,228. Are they nominated then by the Secretary of State for Foreign Affairs?—Yes.

27,229. When a man has passed that examination, what is his history?—He then, according to the regulation, passes three months in the Consular Department of the Foreign Office in order to get a general idea of his work, and after that he goes straight to his post.

27,230. What would his post be, any one of those posts that are in the pages of the estimates for the consular services?—It might be any one of them.

27,231. What would his position be first of all?—I can best reply to what I think is perhaps in your mind, in this way. In the consular service there is no ladder. The whole service is more or less on the same level; some posts are better paid, but the better pay does not always represent a better post. The better pay is given because the climate is worse, or the country is more expensive. All the posts are really more or less of the same value. There are no prizes in the service. The consul may eventually rise to be a consul-general, and that is the only prize that he can gain; it is not a very great one, and even when he gains that he does not rise to a salary that is a prize as a salary; the salaries are always adapted to what we think are the requirements of the post, and those we watch with the most rigid economy. Consequently when a consul is appointed to a post there is no reason why he should not stay at that post all his life. He may be changed to another; he would rarely be changed to another against his will, but there is no rule as to whether he may or may not be changed.

27,232. You say there is no ladder. Do I understand that when a man has passed this examination which is mentioned under sub-head (*a*), and which is not competitive, he would be at once appointed consul at New Orleans say, with a salary of 1,100*l.*?—Certainly he might.

27,233. He might?—Yes. For instance, the other day an Indian officer was appointed to be consul-general at Zanzibar.

27,234. Had that Indian officer passed this examination?—No. I should say that the Secretary of State has the power of dispensing with the examination; he may and in occasional cases does give a commission direct without the examination.

27,235. I should like to get first of all what is the ordinary career of a man entering the consular service, and what is the ordinary practice of the Foreign Office before we come to any exceptional cases. Given that a man has passed this examination which you have mentioned under sub-head (*a*) in this memorandum, what would it be the habit of the Foreign Office to do with him?—He would work three months in the Foreign Office, and he would then go to his post, whatever it might be.

27,236. Let us come to that post; would that be on looking at that estimate either a vice-consul or a consul?—Yes, but we have so few paid vice-consulates, out of the East, that as a rule it would be a consulate.

27,237. Is there any regulation as to the age for men entering this examination?—25 to 50 are the limits of age.

27,238. Do I understand that the rule is that a man is only nominated; that the examination is not competitive; that the age is from 25 to 50; and he may be at once appointed to the position of consul-general if the Foreign Office wishes and thinks him a fit man?—Quite so.

27,239. (*Mr. Lawson.*) Do I understand you to say that above that post there is none to which he can aspire?—Undoubtedly he can be transferred to the diplomatic service, and there are several of our ministers that have risen from the consular service.

27,240. To take a well-known example, Sir William White is one?—Yes, among others I may mention Sir Spenser St. John, the minister at Mexico, and Sir Kirby Green, the minister in Morocco.

27,241. But it is a very exceptional thing, is it not?—I do not think we should say so considering the number that we could mention.

27,242. You have only mentioned three?—There are others I could name.

27,243. (*Mr. Harvey.*) Now when this gentleman is appointed to any post that the Foreign Office may have selected him for, does he give the whole of his time to his consular duty?—The whole of his time.

27,244. He is prohibited from trading?—Yes.

27,245. Has the Foreign Office any means of knowing whether that prohibition is effective or not. Can they possibly tell whether a man out in Chili or in the Argentine Republic does or does not trade?—I think practically we have got such a hold upon them that we should know it if they did.

27,246. (*Mr. Freeman-Mitford.*) Would you not very soon find it out from the merchants out there?—Yes.

27,247. Would not the merchants out there complain immediately?—Yes, I am confident of that.

27,248. (*Mr. Lawson.*) How would the merchants know?—A great deal that they have to do is in connexion with shipping, and we have found with trading officers that a complaint which is occasionally made against them is that they use their consular position in order to get the priority in competition for trade. Therefore if a regular consular officer were to enter into competition, I think we should very soon hear of it.

27,249. Do you suppose, among the merchants we will say in the Argentine Republic it would be known that this was a regulation of the British Foreign Office in respect to that consul?—I should think so undoubtedly.

27,250. (*Mr. Harvey.*) Look at page 433 of the estimates which contains the whole of the salaries, who fixed those salaries?—Those salaries are fixed by

the Foreign Office always in correspondence with the Treasury. We propose, and the Treasury revises, and assents or objects. We are constantly revising them. We have effected frequent reforms, and we are always having our eye upon any weak spot. No augmentation can be made without the assent of the Treasury.

27,251. (*Mr. Lawson.*) I suppose that is augmentation of salary, not augmentation of numbers necessarily. I mean that you might appoint a vice-consul without pay?—If he had no pay at all.

27,252. That is without the assent of the Treasury?—If he had no pay and no allowances.

27,253. (*Mr. Harvey.*) Do I understand that every item in this very voluminous list has come under the examination of the Treasury?—Every item.

27,254. Upon what does the Foreign Office base its idea of what the salary should be; have you any returns from the men of the cost of living at a particular place, or upon what do you base the salary?—The last time that we revised the whole of them was when Mr. Childers was Chancellor of the Exchequer. We then had a Departmental Committee in which we went into every salary. Mr. Childers was extremely anxious to effect reforms in the salaries, and I think there was not a single post that we did not examine. Those are the last general reforms that we have made, and we think now that we have got the salaries at a fair level.

27,255. Are the salaries classified; for instance, in looking through this list I observe there are some at 1,000*l.*, some at 800*l.*, and some at 900*l.*; could you put us in a classification according to the amount of the salary of the whole of the paid consuls?—We could, but I do not know whether it would not be to a certain extent misleading. For instance, if you look at the salaries in Brazil you will see that the consuls there get higher pay than most of the consuls in Europe. The reason of that is that the rate of living there is high and the rate of exchange is disadvantageous, so that the man who gets 800*l.* a year at Bahia is not at all better off than the man who gets 600*l.* at Naples. We take all those points into consideration. I think I may say that economy always is our watchword in the consular service. I only know one post in which I think an officer could lay by anything out of his income, and that is a post on the West Coast of Africa, in such a pestilential climate that the unfortunate consul is at this moment lying at the point of death at Madeira.

27,256. Have you any instances of the reduction of the salaries of consuls?—Numerous.

27,257. (*Mr. Cleghorn.*) There has been no revision since Mr. Childers' time?—Not a general revision. I have a paper here which shows that within the last 10 years, the net charge for salaries and allowances, after taking credit for fees received, has been reduced from 115,761*l.* to 92,701*l.*

27,258. (*Mr. Harvey.*) Is that the total of sub-heads (*a*) and (*b*) of the Consular Vote?—It is the net total.

27,259. That has been reduced, you say?—Yes, and that has been done, notwithstanding that we have had to add over 10,000*l.* to the Consular Estimates for Africa alone.

27,260. (*Mr. Lawson.*) What are the dates of the comparison?—It is from 1879–80 to 1888–89.

27,261. (*Mr. Harvey.*) With your permission, I will ask you to look at the Estimates for this year. If we could bring your figures into connexion with the particular figures there, it would be an advantage. There is an increase of 1,102*l.* in the sub-head of salaries, and what I should like to ask you would be whether, going back through a certain number of years that head has steadily increased, or whether there are periodic or spasmodic diminutions?—It has decreased. In 1879–80 the gross estimate for salaries, exclusive of the anticipated receipts for fees, was 119,117*l.*; in 1889–90 it is 117,962*l.* These figures represent salaries only; the allowances are additional.

27,262. Those figures do not quite agree with these. I suppose what you have given is not a net figure, but is a corresponding figure?—Those are the actual figures that have been supplied me by the Finance Department.

27,263. You gave the figure for the current year as 117,962*l.*; the Estimates only show 115,462*l.*?—The figures that are supplied to me are 117,962*l.*

27,264. (*Mr. Lawson.*) Do they include incidental expenses?—On examination I see where the difference lies. It is this, the gross amount was 117,962*l.*, but there was deducted from it, on account of vacancies, 2,500*l.* That brings us to the figure of 115,462*l.*, which is the exact sum in the Estimates.

27,265. Now, as to the conduct and discipline generally of the service, are there reports upon those points every year?—No; we keep a general supervision over them, and keep touch with them. It is rather difficult to say exactly how it is done, but I, as superintendent, make it my business to study how these different gentlemen do their work, to watch, to see them, to form my own opinion of them personally whenever it may be possible, and to endeavour in every way that I can to find out how they do their work. Thus I think we have a very fairly accurate knowledge of their capabilities.

27,266. But, apart from actual complaints made by any English resident or by any person who thinks he has a grievance, have you other means of knowing how the service is performed?—We have the positive evidence as to demerits of complaints against them, as to their merits we have the general knowledge of the way in which they do their work, taking into consideration the complicated duties that they have to perform. Having regard to the number of forms that they have to return, the number of reports they have to make, and their duties in connexion with the complicated Fee Table, we should soon find out if there were any shortcomings.

27,267. As a matter of fact, have you many reports of shortcomings?—No.

27,268. In what way would they reach you?—In the detection of deficiencies. Reports of shortcomings perhaps would not be an exact description; it would be rather the detection of deficiencies upon which we should depend.

27,269. (*Mr. Harvey.*) I should like to emphasise these one or two points; first of all that anybody who is nominated by the Foreign Office for a post in the Foreign service may pass this examination if the Foreign Office insists upon it, but that it is not compulsorily necessary?—I should rather put it in this way, that the rule is that he should pass it, but that the Secretary of State may in exceptional instances dispense with it.

27,270. Now, would you tell me, in the course of last year how many times the examination has been dispensed with?—In the course of last year I do not remember a single instance. It is very rarely dispensed with.

27,271. Have there been any examinations in the course of last year?—Yes, there have been a certain number.

27,272. (*Mr. Freeman-Mitford.*) It is only dispensed with, is it, in the case of persons of distinction and approved merit?—Yes, almost the only cases in which it has been dispensed with lately, to my knowledge, have been some of the African appointments.

27,273. And those in the case of men of approved merit?—Yes, we have employed Naval Officers, men whose merits are so well known that it has been thought unnecessary to send them up for examination.

27,274. And at Zanzibar, Colonel Euan Smith, for instance, is a man of very well-known talents and qualifications?—Just so.

27,275. (*Mr. Harvey.*) What are the regulations as to nomination for those posts; is there a list kept at the Foreign Office for candidates for those posts?—This is entirely done by the private secretary; it is the patronage of the Secretary of State.

27,276. (*Mr. Lawson.*) In the same way as the Diplomatic service, speaking generally, not exactly?—Yes.

27,277. (*Mr. Harvey.*) And the limit of age is from 25 to 50?—Yes.

27,278. When once the examination is passed there is no ladder, and a man may be appointed at once to the position, if the Secretary of State choses, say, of consul to the Argentine Republic for instance?—Yes.

27,279. He would not necessarily have to go through any of the subordinate posts of vice-consul?—No.

27,280. Or pro-consul?—A pro-consul is only a notary.

27,281. Then with reference to those who are under sub-head (*b*), those consuls who are engaged in trade, who appoints them?—The Secretary of State.

Sir P. Anderson, K.C.M.G.

11 Dec. 1889.

27,282. Upon what?—If there is a vacancy we take such steps as may seem best to ascertain who is the best qualified resident who would accept it.

27,283. A resident merchant I suppose?—A resident merchant of sufficient means to be independent, and above suspicion of partiality.

27,284. (*Mr. Lawson.*) Would that apply to a post like that of consul-general at Berlin?—The posts of consul-general at Berlin and consul-general at Leipsic are in an exceptional position, and the consul-general at Vienna is in the same position. There we get merchants of high standing. Being in inland towns they have not much in the way of consular duties to perform; the heaviest consular duties being connected with shipping at sea ports. They are appointed really to assist the ambassador by their local knowledge.

27,285. (*Mr. Freeman-Mitford.*) Practically the work falls upon the embassy, does it not?—Yes. There is little consular work at Berlin.

27,286. (*Mr. Lawson.*) Was Baron Bleichröder appointed as a merchant; is he a merchant?—He is a banker.

27,287. I thought you said they were merchants?—That is a definition. I think Mr. Nathan at Vienna is a banker too.

27,288. (*Mr. Harvey.*) May I take it that at all the places in this list, the consuls under sub-heads (*a*) and (*b*), where there is no money put against the name that represents an unpaid consul?—Yes.

27,289. Have we got in the Estimates therefore a complete list of all the consuls and vice-consuls—a complete list not of the people, but of the places?—You have all in the Estimates where there is any payment.

27,290. Pardon me; in the great bulk of the instances there is no payment?—If there is not a payment for salary there is a payment for office and fee allowances.

27,291. Then we have not got a complete list in the Estimates?—Not an absolutely complete list. The Foreign Office list gives an absolutely complete list.

27,292. Do you think it would be possible to man the Consular service by open competition?—It is a question that I have studied a great deal, and I think it would be totally impossible. If I might give my reason I should put it in this way, that I consider that there is no service in which selection is so necessary. I could best explain myself by this illustration:—There is a certain number of consuls-general. Now, those consuls-general have respectively almost every class of duty to perform. The consulate-general at Zanzibar is a political appointment; the consulate-general at Salonica, again, is political; the consul-general at Tripoli has principally to look after the slave trade; the consul-general at Beyrout must have a knowledge of Oriental questions; the consul-general at Constantinople has chiefly judicial duties. Looking down the list, we come to the consul-general at Florence; he is a commercial officer. The consul-general at New York is required to combine all the qualifications; the consul-general at Antwerp, on the other hand, is purely a trading officer. This really represents the service as you go down into the lower grades. There is a separate qualification required for every separate post. Therefore it seems to me that selection is necessary. It would be almost an absurdity to talk of throwing open to public competition any given posts. Supposing the post of consul-general at Zanzibar were to become vacant, and, let us say, that of consul at Naples, and that of consul at Bahia in Brazil. To throw those three posts open by advertisement to public competition would be almost, it seems to me, preposterous, as we could not hope by this means to get the qualified man for each. The other system of open competition would be to provide what is now wanting, that is, a ladder enabling young men to come into the service as vice-consuls, and then gradually to go up. That, of course, might be done; but in the first place we should be met by the enormous increase of expenditure. We should have to create a large class of salaried vice-consuls; and if we are to make the number sufficiently large to be able to select from them we should have to make at least 50. That alone would represent 25,000*l.* a year. But even when we had got them I should not be disposed to think that they would answer. It must be remembered that they would have to fill the trading posts which are now unpaid. Now, I do not think that a paid vice-consul at those posts would be a very useful man. You would send out a young Englishman, and would put him in a foreign town with a small salary. One must look into those questions a good deal abroad to see the excessive importance that is attached to the rank of an official. A consul-general holds a high place; he has access to everybody, and is consequently in a good position to get general information for the Government. A consul also in a lesser degree; he has access to information, and if he has troublesome questions to deal with, he is able to visit high officials personally (a great deal of the work of the consulates is done personally)— he goes to the head of the Customs, or of the police, and gets questions settled, without reference home, by his personal influence. Hundreds of cases are disposed of in that way. A vice-consul, on the other hand, has comparatively little influence; if you planted a young Englishman down in a foreign town as vice-consul with a small salary, he would probably be of very little use to you. He would be able to read the newspapers; he would get a sort of general idea of what is going on; but if he were to attempt to settle knotty questions by his personal influence he would be helpless. On the other hand a trading merchant, who is well known in his town, is excessively useful in his way. So I think that, if we alter the present system, in the first place, we should have to face the enormous expenditure, and in the second place, that it is doubtful whether we should get equally useful men. Those are my reasons against throwing open the entry into the service to public competition. But I will go further. Supposing that we set aside these reasons and establish our staff of 50 vice-consuls, we should still have to go outside them occasionally; we could not be bound down to pick for all our posts from these 50 vice-consuls. Take the consulate at Zanzibar where we have been obliged to put an Indian officer. There is another case that I may mention. We have a post vacant for which we want a man who has a special knowledge of Malay, and who also has a knowledge of affairs in the East. Here we must have a field of choice. We require a specially qualified man; if we had to choose within a limited number of vice-consuls we should not be able to get the man we want. Therefore it seems to me, from every point of view that I have been able to study, that the consular service is essentially a service in which we should have selection, and I believe that we should involve ourselves in enormously increased expenditure and run the risk of diminished efficiency if we were to throw it open to public competition.

27,293. (*Mr. Fowler.*) Selection from what?—General selection from all the world, as it is at present.

27,294. (*Mr. Harvey.*) From people who, as I understand, go to the Foreign Office, and are nominated by the Secretary of State for Foreign Affairs?—Just so.

27,295. (*Mr. Lawson.*) I believe that a system of open competition for the consular officers in Turkey, the Levant, Persia, Greece, and Morocco was introduced after Sir Philip Currie's return?—Quite so, but the circumstances are exceptional, and it must be remembered that it is an expensive service. The young men come in by open competition, then go into the college at Ortakeui; there they are specially trained under the superintendence of a secretary of embassy for two years. The expense of that is considerable: I think, roughly speaking, it costs about 5,000*l.* a year. After that they are placed according to their qualifications. We never could attempt to introduce such a system as that into the general consular service.

27,296. (*Mr. Harvey.*) Looking at the system as you have explained it on page 2 of the memorandum, I should like to put this question to you. I observe that the effect of that arrangement is put down in this way, that there is a vice-consul interpreter attached to the embassy of Constantinople, one to the consulate general at Constantinople, one to the legation of Teheran, then there are two consuls, eight vice-consuls, and nine assistants. Following out the line of thought that you have just been indicating, would you say that those vice-consuls and assistant vice-consuls were set up in order that you might get a system of promotion, and that they were more than the exigencies of the service really required?—No, I certainly should not say that. We have got exactly the number of consulates and vice-consulates that we think we require in those countries, and now we have stopped the influx into the service because we feel we cannot provide for any more than the men we have there.

27,297. Before you had this special system which Sir Philip Currie set up, had you as many vice-consuls and as many assistants as you have now, or have you increased them?—We had no assistants at all. The system of assistants is a new one. As regards new vice-consulates we have placed one at Monastir, on the Albanian frontier, by Sir William White's recommendation. I think that is the only new one.

27,298. (*Mr. Freeman-Mitford.*) Was not this adopted in order to assimilate the consular services in Turkey to the consular services in China and Japan upon a principle which answered very admirably there?—It was; it was principally with the view to get a knowledge of Oriental languages.

27,299. And was not it also partly because the consuls there had certain judicial functions to perform?—They have in some places judicial functions, and have a legal training.

27,300. (*Mr. Harvey.*) What I want to get at is this, whether these assistants' posts were set up in order to make the ladder which you regard as an essential element in a system of open competition, or whether they were wanted on their own merits?—I think we may distinctly say that they are wanted, from the fact that the various posts, in which the work is steadily increasing, cannot very well get on without them.

27,301. (*Mr. Freeman-Mitford.*) And they are practically clerks in the office?—They are. Sir Evelyn Baring has one at Cairo, and he has told me again and again that he cannot get on without him. There is another at Morocco; Sir Kirby Green says the same of him. There is not a single assistant that is redundant.

27,302. (*Mr. Lawson.*) Is it the case that the consular service in China, Japan, and Siam is based on absolutely open competition?—In the same way as that in the Levant; but I have nothing to do with that service, and I cannot speak of it with authority.

27,303. (*Mr. Harvey.*) How was the work that these assistants now do performed before the assistants were appointed?—The work that the assistants now do?

27,304. These assistants, as I understand you, are altogether a new class of officers, who have been appointed in consequence of the new arrangements of Sir Philip Currie in respect to this open competition. What I want to get at clearly is this, whether or not these posts were made for the purpose as you said just now of setting up a ladder and getting a regular scheme of promotion or whether they were really required by the work of the respective consulates?—I think I can answer that question best by saying that it was a combination of both purposes; that Sir Philip Currie thought that there should be the scale from student interpreter to assistant, and from assistant to vice-consul, and so to consul; but that he also thought that such a post as that of assistant was much required. As a matter of fact, if we look at the places where they are now employed—at Constantinople, Salonica, Beyrout, Cairo, Sophia, and Tangier—at every one of those places the assistant is thoroughly worked; and if assistants had not been appointed, no doubt applications would have been made by this time for some other form of assistance.

27,305. I understand your position to be that if you had a system of open competition applied to the whole of the consular service, and were not able to select men as you do now, you would be obliged to have some such system as this of assistants to vice-consuls, with, of course, an enormously increased expenditure?—Yes, and with this further difficulty. In the Levant service we have an efficient control. We have this particular service under one grip; the minor appointments are all distinctly connected with the embassy of Constantinople. But if the same system were extended to the whole consular service we should have no such grip.

27,306. But why have you a greater grip over the Turkey service than over any other?—Because it is a handy service in which there is constant inter-communication; the greater part of the posts are immediately under the embassy.

27,307. Then would you say that this system of open competition has been distinctly costly to the State?—It is a costly service.

27,308. Would you think it is more costly than if it had not been adopted; that the service costs more now than it would if you had not had open competition?—Yes.

27,309. (*Mr. Lawson.*) Surely that does not depend upon the open competition, but upon the conditions of service quite distinct from entrance?—The men appointed by open competition must be put under special care and special training, and it is that special care and special training that is costly.

27,310. Is that in order that they may learn these Oriental languages?—That they may learn the Oriental languages, and legal knowledge, and also that they may get thoroughly under control.

27,311. Under control?—Yes. These are not ordinary consular appointments. If you look at the posts where the assistants are employed, you will see that none of them are common consular appointments. In fact, I often have it said to me by the gentlemen of this class, "I know nothing about shipping; I know nothing "about ordinary consular work." My answer to that is, "But this is exactly what you have got to learn; "if you do not know it you must learn it." But they do not like it, as in the East, their general work is not the ordinary consular work.

27,312. Do you believe it is seriously true that these gentlemen at such important places as Salonica or Beyrout know nothing of the consular work that has to do with trade?—I should not like to specify any particular places.

27,313. I am not talking about those places for any special reason; I am merely taking them as they happen to catch my eye?—I have often had it said to me by men in this branch of the service.

27,314. (*Mr. Harvey.*) What type of man has said that to you; one of the open-competition men?—Yes, one of the open-competition men.

27,315. Are you quite sure that the Foreign Office always ensures that a man who is appointed to the ordinary service does understand shipping?—He has to learn it; it is one of the first things he has to learn; he cannot be very long at his post without doing so, or else he would get into trouble. If you read the instructions that he has to master on going to his post, you will see that by the time he has been there a year he must understand shipping or else he cannot properly do his duty.

27,316. Still he, equally with the open-competition men, has to learn after he is appointed?—No doubt.

27,317. (*Mr. Lawson.*) I believe that in several of these Turkish towns the consuls used to be retired military officers. I know one or two cases?—I do not think there are any now.

27,318. Are there no retired military officers in these places?—The last one I remember was the consul-general at Philipopolis, Captain Jones; he had been in the army at the time of the Crimean war, but he left it soon afterwards.

27,319. (*Mr. Harvey.*) What determines the Foreign Office to appoint either a paid consul or an unpaid consul?—Economy principally. I think, however, I should say that at ports we should not have any unpaid full consuls if the Treasury would give us the money. We prefer the salaried servant, but we consider that it is not fair to employ a salaried officer unless he has sufficient to live upon. We have at ports now very few unpaid trading consuls, and I think it would be better if we could get rid of them. There is one in Europe at Amsterdam; he is a most excellent man, but that is an exception. I do not approve the appointment, though he happens to be an exceptionally good man. We have also one or two in South America.

27,320. Do you mark the merits of these men; do you select the meritorious men for promotion to a better paid post, or do you leave a man where he is?—As I said before, the better paid post is not always the better post. The highly paid post in Brazil is not as coveted as the much less paid post in Europe, but we do try most earnestly to know the qualifications of the men, and if a post is vacant to give it to the man best qualified for that particular post.

27,321. What is the most highly paid post in the service?—I should think New York.

27,322. When was the present consul-general at New York appointed there?—He went there from San Francisco.

27,323. (*Mr. Lawson.*) Which is also a highly paid place?—Yes, but living in the United States is expensive. He went to New York in 1883.

27,324. (*Mr. Harvey.*) Was he appointed on account of merit to the post?—Yes, distinctly so.

Sir P. Anderson, K.C.M.G.

11 Dec. 1889.

27,325. (*Mr. Lawson.*) Take the consul at New York as an example, how did he enter the service?—He was employed for several years in the consulate at San Francisco.

27,326. Was that the beginning of his career?—That was the beginning of his career. He was acting consul there in 1856, and in 1857 he was appointed consul. He served there till 1883, so that the whole of his service has been in America.

27,327. (*Mr. Harvey.*) Have you had occasion to compare our consular service with that of any other country?—I have done so, but it is very difficult. Our consular service is different from the others, in consequence of the heavy requirements of our shipping. The French consular service is on an entirely different basis, as they appoint political consuls, a class of officer that we rather avoid.

27,328. (*Mr. Lawson.*) But are not our consuls in Turkey political consuls?—We do not call them so, and we do not wish them to be so.

27,329. I know we do not call them so?—They can be used for political purposes, but we discourage them from meddling too much in politics. We keep the centre in Constantinople.

27,330. (*Mr. Fowler.*) I think you have not answered Mr. Harvey's question, which is, have you ever compared the consular service of any other European government with ours. You give us reasons why the comparison failed, what we want to know is the fact, have you ever made a comparison of the consular service of Great Britain with the consular service of France or Germany or of the United States?—I should like to know upon what points you would make the comparison.

27,331. (*Mr. Harvey.*) First, certainly as to mode of appointment, and next as to status and salary?—The mode of appointment is the same in Germany and the United States, but not in France. It is difficult to compare the salary for the reason that it is almost the invariable custom abroad to supplement salaries by allowances, and those allowances we cannot get at. We put everything of ours in the estimates which can be referred to at once. We may know that a French consul has 15,000 fr. a year as salary, but we have no clue to what he gets for house allowance, entertaining, and other allowances.

27,332. (*Mr. Fowler.*) But there would be no difficulty if you give a man so much a year for salary, and then you give him house rent and entertaining allowances, it is but adding them together and saying his appointment is worth so much?—We cannot get at what the allowances are.

27,333. They do not let you know?—No.

27,334. But you do know when a man has house rent and has other allowances?—We know what his salary is, but we do not know what his allowances are.

27,335. Take China and Japan, their interests and ours are very similar; have you ever compared the cost of the service in China and Japan and the United States with the cost in Great Britain?—The service in China and Japan is a point I have no special information upon. I have nothing to do with the consular service in those countries. We could, of course, put in a comparative statement, but I should not like without reference to say what it is.

27,336-7. You rather misunderstand; the point is not as to putting it in for us to see, but in considering the organisation, appointment, and cost of your services—that is what I understood Mr. Harvey to mean—have you ever endeavoured to see whether we are adoptiug the same or a different principle, or paying the same or a larger amount of money than other governments were doing?—No; we look to our own requirements; we think we know these pretty well; we have studied carefully our consular service, which is now on a clearly defined system, and we base our expenditure upon our own requirements without reference to those of other countries.

27,338. You say our own requirements; are you aware that there is a very general feeling in the mercantile classes of this country that the consular service of Germany, so far as the trading interest is concerned, is superior to the consular service of Great Britain?—I think if we adopt the same system that the Germans do we could compete with them without the slightest fear; but there, again, we come to the question of economy. Economy is impressed upon us by the Treasury at every turn. I should, myself, be quite inclined to adopt a system under which we should have in the different countries of Europe, and possibly in the United States, a consul-general whose business it should be to collect information upon commercial subjects, and to assist our commercial world generally. But we cannot adopt that system, because we dare not face the expenditure.

27,339. Is Germany spending more than we are spending?—I should think not.

27,340. Take our consular service for the last year, it is nearly 300,000*l.*?—It is nothing like that.

27,341. I am not talking of the net but the gross cost. According to the Estimates, the gross cost is 273,424*l.* I should be very much surprised to hear that Germany is spending that amount of money on her consular service, or half of it?—Where do you get that figure of 273,000*l.*?

27,342. (*Chairman.*) That is in the Estimates, page 432. The figure you give in your return is 262,328*l.*?—Yes.

27,343. (*Mr. Fowler.*) The gross total is 273,424*l.*, and the appropriations in aid, which, I presume, are consul's fees, are 97,330*l.*, and the net total is 176,094*l.* That is the sum which Parliament devotes out of the taxes, but that is not the cost of the consular service. The cost of the consular service is gross cost?—Then you decline to set the fees against it?

27,344. As to whether the consular service costs us 176,000*l.* after deducting fees, that is another question. It really costs us 273,000*l.* a year?—Esee you are adding the cost of the service in China and Japan, which makes the discrepancy between these and my original figures. I think my answer would be that, if our consuls are too many, we ought to reduce them, but that we cannot neglect the shipping interest. The bulk of our consular service—I am putting aside China altogether—is at ports, and if we reduce those consuls we should soon hear from our shipping interest; we should have grievous complaints. No other country in the world finds its necessary to keep up so large a consular service for its shipping interests.

27,345. (*Mr. Harvey.*) Conceding that for a moment, let us come to their duties. Take all these various consuls at 1,000*l.* a year, do they make reports on commercial matters in connexion with their respective posts?—Indeed they do; it is part of a consul's duty to make a regular commercial report once every year, and to make special reports upon every occasion on anything of interest in connexion with his consulate.

27,346. (*Mr. Fowler.*) When these reports come to the Foreign Office, what happens?—They are printed and published.

27,347. (*Mr. Lawson.*) Have not you missed out the report in finance. You see two reports are mentioned in the regulation which says that in addition to reports on special questions, two regular and special reports are required to be sent home every year from each of Her Majesty's missions in foreign countries, would that be the transmission of the consular reports?—This is the regulation: "The annual report shall reach "the Foreign Office not later than the 31st March "of the year following that with which it deals." The consul has very elaborate instructions as to what his report should be upon—trade, commerce, shipping, navigation, population, industries, public works, and general remarks. In addition, he has to furnish independent reports upon questions affecting agriculture and cattle, with statistical tables; he has to furnish sanitary reports and reports on disease in cattle. There is also this regulation: "Consular officers "should, in addition to their annual trade report, send "home special reports from time to time on subjects "of commercial and general interest." These reports, if thought to possess sufficient importance, are either published in the miscellaneous series, issued by the Foreign Office, or forwarded to the Board of Trade for insertion in the journal published in that department.

27,348. Yes; but the consul has nothing to do, as I understand, with the financial report that comes from the missions?—No, he has nothing to do with that.

27,349. But he has to do with the trade reports that come from them?—With the statistical report.

27,350. Are not the commercial reports that come from the missions practically the consuls reports

coming through the missions?—No; the commercial report is a separate report altogether. In addition to the consular reports the legation has to send a commercial report.

27,351. It is not the same thing?—It is not.

27,352. (*Mr. Fowler.*) But I suppose, take the comparison of Germay, for instance, and France, that the individual consul receives a much larger salary out of our Vote, than the representative of either Germany or France receives, allowing, for the difficulty there may be in having house rent, special allowances, and so on. There is no doubt that the English consular service is a very much better paid service, is there?—I should not like to say that, I should not like to give a definite opinion, because they vary very much. There is in France and Germany a special class of consuls, who are paid highly.

27,353. (*Mr. Lawson.*) What sort of salary?—We hear of 20,000 francs, that is 800*l.* a year, with additions and allowances beside.

27,354. Making up to about 1,000*l.* would you say?—They would make it up to over that. I dare say some of them would get nearer 1,500*l.* with their allowances, but the political consuls are such a different class of men from ours that we cannot very well compare them.

27,355. We give most of our consuls 1,000*l.* a year, do not we?—No.

27,356. Well, not most, but a good many of these consul-generals are in receipt of 1,000*l.* a year, and I suppose they would correspond with the political consuls. You can understand a comparison being drawn between those?—We give the consul-general in New York 2,000*l.*, but he is a very highly paid officer.

27,357. I was thinking of Buenos Ayres and Buda Pesth?—Buda Pesth is a semi-political appointment.

27,358. Take Rio Janeiro and Panama?—Panama is a place where we have had the greatest difficulty in getting anybody to go because of the climate.

27,359. (*Mr. Fowler.*) As a matter of fact, would it be possible for a young man of 25 to be appointed at once to a salary of 1,000*l.* a year?—It would be possible.

27,360. What is the ordinary practice; you admit that such a thing might happen, but I imagine that you imply that it does not happen, as a matter of fact, the appointment, say, of a young man of 25, who has just passed his examination, at once to the office of consul-general, say, at Rio, with 1,000*l.* a year?—No, as a rule, if a consul-generalship, like the post at Rio, were vacant, we should look for a consul who would be high up in the list and qualified by his knowledge of Portuguese, and such other qualities as we think were required for the special post.

27,361. (*Mr. Lawson.*) Yes, but in the example you gave us of the consul-general at New York: you told us that he commenced at San Francisco, where the salary is 1,200*l.* a year?—He commenced with a high salary.

27,362. (*Mr. Harvey.*) What age was he when he had 1,200*l.* a year?—I see he was appointed in 1857, that is 32 years ago. I should think he is a man of about 60, or perhaps he might be a little over; you must remember that San Francisco is very expensive.

27,363. (*Mr. Lawson.*) Not so expensive as New York?—I could not say.

27,364. (*Mr. Harvey.*) Still it is not the practice of the Foreign Office to insist that every candidate who has passed this examination should have some training as a paid vice-consul before he assumes the superior duties of a consul?—No, it is not.

27,365. In fact it all depends, does it not, upon patronage?—It depends upon patronage. We have not got a large number of paid vice-consuls, and without the immense expenditure which I have indicated we could not get them.

27,366. I should like to get on record what this examination is that has to be passed. What subjects is it in?—First, a correct knowledge of the English language; secondly, writing and speaking French correctly and fluently; thirdly, a sufficient knowledge of the current language, as far as commerce is concerned, at the port at which they are appointed to reside, to enable them to communicate directly with the authorities and natives of the place; fourthly, a sufficient knowledge of British mercantile and commercial law to enable them to deal with questions arising between British shipowners, shipmasters, and seamen; fifthly, a sufficient knowledge of arithmetic.

27,367. (*Mr. Lawson.*) Who, may I ask, are the examiners?—The Civil Service Commissioners.

27,368. (*Mr. Harvey.*) Have you looked at the examination papers yourself?—The papers that are put or the answers?

27,369. The papers that are put?—No, we leave that entirely to the Civil Service Commissioners.

27,370. Have you formed any opinion yourself as to whether the present examination is of a kind that you would be satisfied with if you were sending a man abroad to look after your own commercial interests?—I think it gives us well-qualified men.

27,371. (*Mr. Lawson.*) But it is only a qualifying or pass examination?—That is all.

27,372. I daresay the average capacity of the candidates varies a good deal from year to year, and that sometimes a man might get in with very few marks—just above the necessary total?—That I do not know, because the Civil Service Commissioners only tell us that the man has passed.

27,373. (*Mr. Harvey.*) Do you know the regulations for the diplomatic service?—Yes.

27,374. There is an element of competition enters there?—There is a limited competition.

27,375. Would you not think it better, having regard to the great interests that are at stake which the consular service has to look after, to adopt the diplomatic service plan for the consular service?—My only objection to it would be what I have already stated, that I think the consular service is essentially one for selection. If we take the two special cases that I mentioned: that of the Consul-General at Zanzibar, and that of the consulate in the East, where a knowledge of Malay is required, I do not see how you could throw those posts open to limited competition. I think you must give absolute powers to the Secretary of State to select his men.

27,376. (*Mr. Lawson.*) That surely does not apply to the Consul-General at Antwerp?—No.

27,377. The same considerations would not apply as to Zanzibar and Siam?—There are certain posts at which it might be done.

27,378. (*Mr. Harvey.*) Suppose we had a system of this sort: that the rule should be open competition, but that there might be certain posts which the Secretary of State might think essential to exclude from the purview of open competition, and which he should lay on the table of the House of Commons, for instance; do not you think that would be more generally satisfactory than the present system?—The system for the diplomatic service is not open but limited competition.

27,379. I am adhering to the limited competition, but I want to know your point as to the necessity for selection everywhere. Suppose the Zanzibar post, and one or two others that are admitted to be exceptional, were left out, do not you think that for the service as a whole you might extend the system now in force in the Diplomatic service?—Would you mean in this way: that if two or three consulates fell vacant, you would put them up to limited competition? I should object to that. In the diplomatic service the system is entirely different; there is the regular ladder; there are so many vacancies, and they are thrown open to young men. They come in as attachés, go through their time as attachés, become third secretaries, go on till they become second secretaries, and so on. Here there is no difficulty; but it seems to me with the consulates that the requirements are entirely different. At one, for instance, you might be perfectly satisfied with a young man of general acquirements, whom you might pick up anywhere; at another you would want what we should call an old consular stager, who knows his consular work thoroughly well. Each post has its individual requirements; and, therefore, as there is no regular chain—no ladder, as I call it,—I do not quite see how you could apply the system. In principle I am not at all personally opposed to it; but having watched the consular service so closely as I have, I cannot say that I see how in practice it could very well be applied.

27,380. (*Mr. Lawson.*) But in practice, when you go outside the consular service in the selection for a particular post, do you know anything of the man's qualification?—Yes, undoubtedly.

Sir P. Anderson, K.C.M.G.

11 Dec. 1889.

27,381. Why? He is appointed by the Secretary of State, is he not?—I do not say that I know it; but I presume the Secretary of State does. We will take the case of Colonel Euan Smith, who has been lately appointed at Zanzibar, or we may take the case of naval officers whom we have been appointing in Africa. Undoubtedly their special qualifications were known before the Secretary of State appointed them, but their appointment is in his discretion.

27,382. I am rather thinking of other continents than Africa, where there are not such special qualifications needed. I want to know whether you, as a matter of fact, would be consulted when a new man is introduced into the service, or whether you would have any opportunity of seeing what kind of man you had to deal with?—No, I should not. After the man is once in the service it is a different thing; then it is my business to keep a watch on him, and keep the Secretary of State informed as to whether he is qualified and does his work properly.

27,383. (*Mr. Harvey.*) Given that there is a vacancy to-morrow in a highly-paid consulate, who actually appoints? Tell me, what is the progress of the papers in the Foreign Office?—Do you mean supposing that an outsider was to be appointed to it?

27,384. No; assume that to-morrow it is reported to you that a lucrative consulate is vacant, I want to know exactly what would happen in the Foreign Office?—It would be notified to the Secretary of State that that post is vacant. The Secretary of State would then consider; there is no routine of minuting papers or anything of that sort; but as a matter of fact, according to my personal experience, the Secretary of State takes every means that he can by reference to those whom he thinks best qualified to judge as to who in the service, if he decides to promote in the service, is the man best qualified for the appointment.

27,385. Then I suppose influence is brought to bear upon the Secretary of State on behalf of a particular candidate, and yet you, as the responsible head of the service, may think that a very meritorious officer would be the better man, but would it be your duty to represent to the Secretary of State that so-and-so in your opinion was a man eminently qualified to fill the post?—I think that would be rather an unjustifiable interference—that would be going too far.

27,386. Then, to put it plainly, it is, is it not, an absolute act of patronage on the part of the Foreign Secretary?—Undoubtedly it is an absolute act of patronage; that is to say, the appointment is made by the Secretary of State. I should not put it as an arbitrary act of patronage, but it certainly is an absolute act of patronage.

27,387. True, but then would you say that the routine was of a character that ensured that all was done that should be done to get a meritorious officer for the well paid post?—I think that, so far my experience goes, it has been the practice of the Secretaries of State under whom I have served to select after consulting their private secretaries, and the superintendent of the consular service.

27,388. Let me put it in this way: given that a consulate is vacant—a very important post—have you, as a matter of fact, had the private secretary come to you, and say, "Now, here is a post vacant; it is of very "great importance; what man does your experience "lead you to suggest would be the best man to fill "it?" Has that ever happened?—Not only ever happened, but I may say that it invariably happens that whenever there is a post vacant the private secretary talks it over with me; the system of selection is practically that which exists in the diplomatic service.

27,389. (*Mr. Lawson.*) To follow up that last question which has been asked. With regard to the new man, that course of procedure would not be followed, I suppose?—No.

27,390. I should like to ask you whether the transition from the consular to the diplomatic service has been made any easier since the Committee of 1872 sat—the Committee of the House of Commons which recommended that it should be?—I think since I have been connected with the Foreign Office it has always been about the same.

27,391. That is to say that it is a very exceptional occurrence?—I think we can hardly call it very exceptional considering the proportion that we have now.

27,392. You say in the Foreign Office memorandum upon the consular service that "it has not been found "practicable to give effect to the proposal to consoli- "date still further the functions of diplomatic and "consular officers"?—Yes.

27,393. Does that hang with the other, do you think?—It has not been found practicable to go any further.

27,394. At the present time a consular officer could not in any case look forward to any sort of right of promotion to the diplomatic service?—No, not as a right.

27,395. In what way have those promotions been effected: by the personal act of the Secretary of State, I suppose?—Yes.

27,396. Do you believe that it is possible at the present time to make any sort of bridge between the two services?—No, I do not see how we could, because, as I have said, we discourage the political consul; we wish the ordinary consul to be a thorough practical sound man of business, and we do not require anything more of him; therefore he has not the qualification, as a rule, of the trained diplomatist.

27,397. Yet of course, you occasionally get such a man in the consular service; you have had such a man as Sir William White?—Yes, and Sir Kirby Green and others.

27,398. I notice that the Committee of 1872 quotes with approval an opinion expressed by Mr. Brackenbury, "That the more nearly our consular service is "assimilated to that of France the better. The French "system is simply that of making the service a pro- "fession. The career is begun first in the Foreign "Office as a supernumerary; then as a paid clerk "From this, the consular student may rise either in "the office, the consular service, or in diplomacy." He further advocates "an advancement in social rank "and position, and a free issue of honorary rewards "and marks of distinction." Has that been at all carried out since that time?—Yes.

27,399. It is a small matter, but, as a matter of fact, have honorary rewards been more freely distributed in the consular service as marks of distinction?—I have not exactly the materials for comparison, but I should say they have; there are several consuls now who have obtained those distinctions.

27,400. You have tried, I understand, to carry out the recommendations of that Committee as fully as possible?—Yes; that is so.

27,401. And you consider that you have done all you can to carry out their recommendation in the reduction of redundant posts?—Certainly.

27,402. You do not believe at the present moment that it would be possible to do more in that way?—I do not think we could without detriment to the service.

27,403. Are you continually looking out to see where an important trade centre rises up, we will say, in the United States of America?—Yes; we have lately remodelled the service in the United States on the advice of the Secretary of the Legation, reduced several posts in the south, which the trade had left, and transferred them to the west where the trade is growing.

27,404. In fact, you keep your eye as open as possible to the movements of trade?—Yes; that is our endeavour.

27,405. Turning to the estimates, I should like you to look at Italy, and to see whether you consider it is necessary to have all the paid consuls that we have there at the present time under the circumstances of our trade connection. There are, you will see, in Italy, one consul-general paid, and four consuls paid, and two vice-consuls paid?—The consul-general is the consul-general at Florence. He is an excellent man, who devotes his time a great deal to the studying of the commercial requirements of this country with great success. The consul at Genoa gets 600*l.* a year salary, and 400*l.* a year office allowances, the whole of which is almost covered by the amount of fees he receives. According to the latest return I have got, he received 925*l.* in fees. The consul at Leghorn receives 500*l.* and 150*l.*—650*l.* altogether. His latest return was 475*l.* in fees. At Naples, the consul gets 600*l.*, and 250*l.* for his allowance. He, I see, has received over 600*l.* a year in fees. Palermo is the other; it has 600*l.* salary, and 250*l.* for allowance. The consul there has received nearly 400*l.* a year in fees.

27,406. Then there are two paid vice-consuls: one at Messina, for instance. He is put down at 400*l.* a year?—I cannot deal with those at the moment. The figures that I have given show that the actual amount of fees, which represent solid work, leaves a very small balance of expenditure. That shows the requirements.

27,407. I believe that in 1882 and 1885 there were important memoranda issued to the consuls in respect to the commercial information which they were supposed to send in?—Yes.

27,408. Do you believe that those recommendations have been fully carried out?—I think so, but I believe you are going to examine the head of the commercial department.

27,409. Does not that concern you?—Only indirectly; his opinion would be more valuable than mine. As a general matter of discipline I know that the consuls have done their best to carry out the instruction, but as to the value of the reports I would rather that Mr. Kennedy should speak.

27,410. I have read a paper of Mr. Law's, the commercial attaché to the embassies of St. Petersburg, Constantinople, and Teheran, in which he says that he does not believe that the consular reports can ever take the place of detailed information on special subjects which the traveller of a particular firm can supply. Do I understand that to be your opinion?—Undoubtedly it is; and I think, though I say so with some deference, that the danger is that some of our commercial firms are leaning too much upon the consuls.

27,411. Does not that show an improvement in the consular service—that more attention is devoted to English business?—It is an improvement in the consular service, and the consular officers are doing their utmost. It is only a personal opinion, but it seems to me that there is a distinct danger that commercial firms, instead of pushing through their own agents, are apt to trust to what can only be the general information supplied by the consul.

27,412. Is it the case that the consular service of England is somewhat inferior to that of Germany in respect to commercial information?—I should say that if you take the mass of information supplied by our consular service and by that of Germany, the balance would be enormously on our side. I think rather what is in the minds of those who speak of what has been done by the Germans, is that the Germans at certain places, principally in the East, have had a free hand to push commercial interests by any means in their power; whereas our officials have been kept more within bounds. I do not think that applies to Europe, and if you ask me whether, in Europe, our consular officers or the Germans do the most for commerce, I think ours far and far away.

27,413. Is that the opinion, do you think, of the commercial community?—That I would rather not speak to.

27,414. I daresay you have had opportunities of knowing from communications addressed to you?—I should say that certainly from all that I see it is as I have said. I may instance what the consul-general at Odessa told me. I take a great personal interest in this subject, and question consuls when I see them. He was talking to me about his district, and he said. "The difference that I find is that every commercial "town here is flooded with German commercial "travellers and English circulars; those circulars "are sent in hundreds to me and to the other consular "officers in the district. We are apparently expected "to work upon them, which of course we cannot do, "but by the side of the post which brings the English "circulars is the train that brings the German com-"mercial agent." That is the opinion, I find, of many of our best consuls, and it answers your question to a certain extent, by showing that it is not the German consul, but the German commercial agent that is at work in Europe. From South America I have heard precisely the same thing.

27,415. Take this point of commercial circulars; supposing they were sent to our consul at Odessa, would they be allowed to lie in his office?—What could he do with them?

27,416. What would he do with them, as a matter of fact; that is exactly what I want to know?—He could do nothing with them. The magic of the circular is one of those puzzles which our people cannot understand. They tell me that there is a vast amount of time, which is increasing, spent in giving gratuitous information, to the best of their ability, to commercial firms who apply to them, although it is almost more than can be expected of them.

27,417. Is not the effect of these regulations that were issued in 1882 and 1885 to make them do that work?—It is to make them collect every sort of information and statistics, and that is, I think, really as much as they can very well do. That they do. It is our business here to circulate that information with the greatest promptitude and as efficiently as possible. I do not know of any similar system that they have in Germany.

27,418. Then you believe at the present moment that they are in thorough touch with English trade, and that they do as much as they can be expected to do to advance its interests; that is your belief?—Yes, that is my view, though, as I said before, I am not sure that if we were prepared to spend 10,000*l.* a year more, we might not extend the system by having a certain number of consuls or consuls-general specially devoted to collect commercial information in different countries; that possibly might be done with advantage.

27,419. (*Mr. Harvey.*) Supposing a mercantile firm wrote to the consul at any place, and asked him whether, in his opinion, there would be a fair market for a particular commodity, would it be the business of the consul to inquire and to reply to that letter?—It would not be the consul's business, but from what the consuls tell me I believe that a great part of their time is now taken up in replying to these inquiries.

27,420. But if the consul declined to take any notice of the letter would he be within the letter of his instructions?—Yes; we could not give him general instructions to correspond with people of whom we know nothing; his correspondent might be a substantial firm or might be an adventurer who was trying to feel his way. It would be almost more than any one man could do; he must use discretion.

27,421. (*Mr. Lawson.*) You object, I understand, to give any official recommendation to particular firms by allowing the consuls to act for them in any way?—Yes, we do not allow that.

27,422. That is not true, is it, of Germany?—I believe that what has been said and published about Germany in that respect has applied really almost entirely to the East.

27,423. I should like to ask you a question now with regard to consular fees. The table was last revised, I see, in 1887; has that been by way of increase. I see the total has increased, but have the charges?—There has been an enormous increase; that was a matter which we took a great deal of trouble about, and it has been a great success. The fees that we received this year, I understand from the Financial Department, will be very nearly 80,000*l.* in consequence of the increase.

27,424. You say in your memorandum the fees, &c. have risen from 69,578*l.* in 1884–85 to 101,567*l.* in 1887–88?—That is including China and Japan. I am speaking without reference to China and Japan. Without China and Japan they are as nearly as possible 80,000*l.*

27,425. I see that you do include China and Japan in this memorandum for all purposes, it seems to be included in this comparison, on the first page, of 1869–70 and 1887–88?—Yes; it has been included.

27,426. Is that the reason why your figures do not quite tally with those in the memorandum?—That is the reason why the figures did not at first tally.

27,427. Are the fees a growing item?—They are increasing steadily.

27,428. That is an increase, both in point of number of payments and also on the scale?—These are payments on the revised scale.

27,429. I know; but is there an increase of number of payments of fees as well as the fact that the scale is higher?—I may take it so, certainly. The increasing amounts paid on the fee table would represent an increased number of payments.

27,430. Are further circular visits contemplated?—From the Foreign Office?

27,431. From the Foreign Office, that is, such visits as those made by Mr. Wylde and Mr. Kennedy?—No; I think not. I think that since the telegraphic corre-

Sir P. Anderson, K.C.M.G.

11 Dec. 1889

spondence has been perfected, we keep touch with them without the expense of these visits.

27,432. In the memorandum you say, "recently "Sir C. Hill visited and reported fully upon the consular establishments in the West Indies and other "parts of the Spanish Main"?—It is quite true we sent him to some out-of-the-way places that we could not get at.

27,433. But there are no more contemplated?—We sent him to certain places in South America that we had not been able to get at, to examine and report upon them.

27,434. You do not think there is any part of the world where the consular service has not been fully overhauled, and you do not believe there is any further necessity for these circular tours of inspection?—What we rather have done is this: instead of having the inspection from home by occasional visits when probably the consul has his house swept and garnished in order to receive the visitor, we have occasional visits from the legations. We get secretaries of legations to go round and look at them and give us a report; we find this preferable.

27,435. May I ask you whether the scale of pensions to the consular service is the same as that of the rest of the Civil Service?—It is.

27,436. (*Mr. Fowler.*) I want to go back again to this question of the German consuls; is it not their habit at various commercial centres and ports to watch the development of trade, and to send home to Germany patterns of new manufactures and new articles that are introduced especially by this country?—From all parts of the world?

27,437. I cannot say from all parts of the world, because, of course, that might not apply, but I mean from any prominent part?—They may do so. As regards the sending of patterns I could not say. I do not know that there is such a system in Germany I have never at Berlin come across any general system of diffusing commercial information such as we have here.

27,438. I should like to be quite clear upon this point because, of course, both you and ourselves want to get at the actual facts of the case. I had better put the grievance to you first. I do not think the grievance is as you have said, that our mercantile community rely upon the consuls to push their goods. The grievance is this: that the consuls of Germany in particular have in charge the commercial interests of Germany at all the places to which they are sent; that they advise home all descriptions of articles of manufacture which are sent, we will say, chiefly from England or the United States, and that the German manufacturer knows through his Foreign Office at once what article is in demand, and what are the latest improvements made in that article by the competing markets. Our manufacturers say that nothing of that sort is done in the English consular service. Take a certain description of lock, for instance, sent out to Eastern markets, if you like. We may have a bad lock. Very well; Germany suggests certain improvements, and they send out certain improvements which push our lock out of the market. We have no information from our Foreign Office or our consular service as to what is being done. Now, that is a grievance, not the grievance you were thinking about?—I quite see that; it depends upon what the German consuls really do, and how it is done. I certainly know this, from my personal experience of the Berlin Foreign Office, that a certain number of merchants are in the habit of walking in and out of it. They are a limited number, of course; it is by no means all, but a limited and more or less favoured number of merchants. It is possible that our manufacturers may be alluding to this mode of obtaining information; but if there is a general system of diffusing information at Berlin it has not come to my knowledge. I should not like to say more than that, because I do not think I am competent to do so; but I believe you will have before you to-morrow Mr. Kennedy, the head of the commercial department, who will be able to speak more accurately upon the point. I only speak from general knowledge on a subject in which I take a special interest.

27,439. Very well, we will wait for him. I will now take first the general principle which I understood you to lay down, that the policy of the Foreign Office is not to encourage political consuls, but to encourage commercial consuls?—That is our policy.

27,440. Is not it the first condition of carrying out that policy successfully that the men to be appointed consuls should have commercial and not political qualifications?—That is precisely what we think they have. I think that our men so far——

27,441. I want us first to agree upon the theory before we come to the concrete illustration. I want to see whether you accept the theory first that the consulate should be more commercial than political, and secondly, that the education for the consulate should be more commercial than political?—There, again, I think I must go back to what I said at the beginning, when I specified the extremely varied character of our consular service, I pointed to some where the commercial interests are not the strongest; I referred to Zanzibar and Salonica, I do not know whether I mentioned Alexandria; there are in fact several such posts. Still, I am prepared to admit that, as a rule, taking the consular service generally, we require sound, practical men of business, with commercial qualifications.

27,442. I have taken down those words when you used them earlier: "sound practical men of business"?—Yes; those are the men we want.

27,443. That being so, I understand you to say that you consider the appointment by a great political officer of State, who naturally consults the interests of his party, is the best mode of providing that class of candidate?—It is always a difficult thing to say which is the best, because there always may be a better. I have been rather comparing it with the system which I thought would be less good, which is the system of open competition.

27,444. For my questions I want you for a moment to reject from consideration any question of open competition. I want to deal with the question as to whether a political appointment, actuated by political influence, is the best mode of filling up a service of this description?—I should like again to say that I would rather not enter into what is the best.

27,445. I will alter the word "best" into "desirable"?—Every system, no doubt, is capable of improvement, but I think that is a more speculative question than a departmental officer should give an opinion on. I would rather say that, in my opinion, the large number of consular officers with whom I have to deal are, however they have been appointed, good, sound, practical men of business, who do their work well. Whether they might have been appointed under a better system or not is a wider question, into which I had better not enter.

27,446. Perhaps you may be aware as a matter of history—at all events I will ask you, as a matter of history, whether the defence that you are now giving, that they are competent qualified officers, was not the defence which was given for retaining the political appointment of every other branch of the Civil Service prior to Parliament abolishing it?—It may have been so.

27,447. Was not the uniform defence of the political influence that you got such capital men of business appointed, that it was a pity to discuss the thing speculatively as to whether they could not be appointed better?—That is a very wide question again; it goes into one of the great controversial questions of past days. I am only discussing the particular service with which I am connected. I say—and I think it is all I can be called on to say—that I consider the service is well manned, efficient, and practical; and that as to the system under which it is manned I can give my objection to the application to this particular service of the system of open competition which has been applied to others, and the grounds upon which I formed that opinion. I have no doubt that it is perfectly true, as you say, that there have been similar reasons given for the retention of other close services. I give my reasons for the retention of this.

27,448. You have not yet—I do not say whether you could do so—told the Commission that these gentlemen—I am not talking now of great appointments, I am talking of initial appointments in the ordinary service—are appointed on any other ground except purely the personal will or wish of a political agent?—The Secretary of State for Foreign Affairs may be called a political chief, but the Secretaries of State for Foreign Affairs under whom I have served have not, so far as I know, used the consular service for what may be called political appointments.

27,449. Will you say that, in your opinion, no political influence has ever been used in an appointment in the Foreign Office?—I should be sorry to say that.

27,450. No parliamentary influence either?—Recommendations are undoubtedly made, and those recommendations may be made by political friends or by personal friends.

27,451. But the Secretary of State is not hampered or fettered with any consideration of competence; he may appoint whom he likes?—The Secretary of State can appoint whom he likes.

27,452. He can appoint whom he likes, and therefore this memorandum which has been sent to us by the Foreign Office wants a little modification. I refer to paragraph 4, on page 3, which says: "As to classifying the service, the general consular service is "now distinctly classified, being divided into two "branches: (A) Those who enter the service as a "career, after passing an examination before the Civil "Service Commissioners, and are prohibited from "trading"?—That is correct.

27,453. That means that the nominees of the Secretary of State have to pass a preliminary examination before the Civil Service Commissioners?—Have to pass a qualifying examination.

27,454. (*Mr. Harvey.*) But that is not a compulsory examination, I think you said?—Perhaps I did not clearly explain myself. The Secretary of State may give a commission direct, dispensing with an examination, but it is done in extremely rare cases, and only in my recollection in cases in which the men have been so palpably well qualified that it would have been almost an absurdity to send them up for an examination of the description that consular officers have to pass; take, for instance, the case we have already mentioned of Colonel Euan Smith.

27,455. (*Mr. Fowler.*) I think we may put it also the other way; it would almost be an absurdity for a Secretary of State to nominate any man, almost for any post in Her Majesty's service, who could not pass that examination?—Who cannot pass the examination?

27,456. I mean to say that almost any boy at any ordinary school in Great Britain could pass that examination, which you call a qualifying examination?—It is not a difficult examination certainly, except as regards the languages; Englishmen are by no means good linguists, as a rule.

27,457. Is there any restriction as to age?—From 25 to 50.

27,458. The Secretary of State has arranged from 25 to 50 as to the age of a man on his initial appointment?—Yes, from 25 to 50.

27,459. (*Chairman.*) I want to be clear about the relation of the consular and diplomatic services as regards the responsibility abroad, the proposals that were made, and the recommendations of the Committee about consolidating still further the functions of the diplomatic and consular officers. I see you state in a memorandum that "it has not been found practicable "to give effect to the proposal to consolidate still "further the functions of the diplomatic and consular "officers." That having been recommended, I should like you to tell the Commission what efforts have been made in that direction, and why you think it cannot be taken further?—The principal difficulty is the difference in the training—that consular officers do not receive a diplomatic training. Their ordinary work is not political; they are confined to trade and commercial work, and as a rule they are not qualified for the higher and more general duties of a diplomatic officer. There is also of course the consideration that, in most cases, consular officers are men of small means, mostly living upon their pay; for these reasons a large number of them are not qualified for a diplomatic post; but I think, on the whole, that the number of consuls who have been promoted is a very fair proportion of the entire number of missions.

27,460. (*Mr. Lawson.*) What proportion would you say?—Out of seven ambassadors we have one ex-consul; out of 25 ministers we have six.

27,461. (*Chairman.*) There are places, I presume, where there is a consul-general—I am not talking of Berlin now, but of some other places where there is a consul, or consul-general, and a legation or embassy. What is the relation there of the consul to our diplomatic head; does he communicate through the embassy?—No; I can give you an illustration by referring to the Argentine Confederation. There is a legation there, and there is a consul, the two being entirely distinct, though the consul is subordinate to the legation, and has to consult the minister and keep him thoroughly informed of everything that goes on. In South America, the conditions are rather peculiar. The governments, though republican governments, are excessively punctilious, and the foreign minister will absolutely refuse to hold any relations with the consular officer; this is the case in more than one country. It has happened to us that where we have put a consular officer in charge in the absence of a minister, they have treated it as an insult. In Venezuela and Colombia, for instance, they positively refused to have anything to say to him. The same thing has happened elsewhere. There is this peculiar punctiliousness; we cannot get rid of it; they absolutely refuse to see the consul; therefore, if we are to maintain relations with the Governments, it is necessary to have a legation to deal with them. On the other hand, an immense deal is done in these places by the personal work of the consul. If a troublesome shipping case arises, the consul, in preference to a long correspondence, goes to see the head of the customs, the head of the police, or whoever the right person may be. The consul at Buenos Ayres has told me he has often to be on his legs the whole day, going backwards and forwards among the officials. The minister cannot approach this class, that would be out of his sphere; he must go to the minister for foreign affairs. The consul, on the other hand, taps this other stratum, and in that way he does a vast amount of business, but working upon different lines to the minister; each in his separate position has useful and well-marked lines to follow.

27,462. Taking that as an instance, is the consul of the Argentine Republic in any way under the control of or in any way responsible to our minister?—Yes. The rule is this: "The consular service is subordinate "to the diplomatic service. Her Majesty's diplomatic "representative is, subject to the control of the Secre-"tary of State, invested with full authority over "consular officers, consequently in doubtful cases they "should refer to the diplomatic representative for "advice and direction. The consul must execute at "once instructions received from the diplomatic "representative" on commercial or political subjects, and must keep him informed upon all matters of commercial or political importance.

27,463. I think your memorandum deals with all the recommendations of the last Committee of 1872, does it not?—I imagine that it does.

27,464. I am not quite clear about the appointments to the consular service in China and Japan: how are those made? Are they upon the same footing as in the Levant; are they open competition?—Those are made upon the same lines as in the Levant service.

27,465. Was the Levant system, that is, the system inaugurated by Sir Philip Currie, started in consequence of the consular service in Japan?—I believe it was partly so, and partly from his studying at Constantinople the special requirements of the consular service in the East.

27,466. Were there students appointed then to the consular service of China and Japan?—Yes, there is a student interpreter service there.

27,467. Where are those men educated? Where do they get that special knowledge in those languages?—That service is not under me, and therefore I do not exactly know the details of it. I know it is on the same lines as the Levant service, but I cannot say precisely what are the details of it.

27,468. (*Mr. Lawson.*) You say in the paper handed in upon the consular service, "the consul receives "his instructions on all important matters direct from "the Secretary of State. On ordinary current business, "he is guided by instructions from the diplomatic "representative." Is that the ordinary practice, or is that only the theory of the department?—I should say that it is a rule for emergencies, because, according to the ordinary consular practice, the consuls generally are so well versed in their duties that they do not require such instructions. The rule that I have given you just now is the more exact one, that in doubtful cases the consul refers to the diplomatic representative for advice or assistance.

27,469. Yes; but you are the head of the consular department. If you were communicating with the consul, would you do it through the legation?—No, direct.

Sir P. Anderson, K.C.M.G.

11 Dec. 1889.

27,470. Direct always?—Direct, as a rule. There are special cases where, if we think it necessary, we put the diplomatic representative in motion.

27,471. (*Chairman.*) Is it understood that the consul in a place where there is a minister is at the disposal for any particular purpose of the minister?—If the minister wanted to use him he would have to follow any instructions that the minister gave him.

27,472. In the case of the Argentine Republic which you quoted, supposing there was a difficulty with a merchant, such as you mentioned, and that that is represented through other channels to our minister, can he send a consul to deal with it?—Yes.

27,473. Or once reported to him, is he obliged to take official notice in another way?—The consul would appeal to the minister, and the minister would take it in hand if it is necessary to make it a question of representation to the Minister of Foreign Affairs. I will quote the case of Brazil: the Brazilian Government decided that no consul should be allowed to correspond even with the head officers of the respective provinces; they insisted that everything should be sent to Rio and done through the minister there; it was extremely inconvenient, but it had to be done. There, consequently, the consuls reported to the minister.

27,474. (*Mr. Lawson.*) Is not it the case that if a return or report is moved for in Parliament it is sent from the Foreign Office to the legation, and that the legation gets the information from various consuls, if it is necessary, and then it filters through them back to Parliament?—It would entirely depend upon the character of the report. I should not do that myself unless it was a report that I think could be more advantageously collected in that manner. If it was a report that, in our opinion, the legation could collect and sift better than we could at home, we should ask the legation to do it; but if it was a report that the consuls could perfectly well send direct, I should certainly send it to them direct, so as to get it more quickly.

27,475. Say it was a report as to the position of English trade in a particular part of the world, a special report?—That would go direct to the consuls.

27,476. But on the other hand, if it was a report on the conditions of industry, would they go through the Ministry?—If it was a general report, yes.

27,477. (*Mr. Fowler.*) What is the relationship between the diplomatic and the consular bodies in force in the great European capitals?—In the great European capitals we have not got, as a rule, a consular service; we have only the more or less ornamental unpaid consuls-general. I am far from saying however, that those officials are not really useful. We will take the case that has been mentioned, that of Baron Bleichröder, of Berlin. Baron Bleichröder is an honorary consular officer, and does not receive any pay. The consular work is light, but he does good service to the ambassador, who can get through him a great deal of commercial knowledge, and has a right to claim from him information which he could not get very well elsewhere. It is in that way that the consuls-general in the large capitals are of use.

27,478. (*Mr. Lawson.*) Do you say, of your own knowledge, that the ambassador at Berlin does get commercial information from Baron Bleichröder?—I think I may answer that I, from my personal knowledge, can say so.

27,479. (*Mr. Harvey.*) I should like to ask you one further question about the mode of appointment. It would be open, would it not, to the Secretary of State for Foreign Affairs to appoint a man who had failed to pass his examination?—To appoint him?

27,480. Suppose the candidate, having been nominated, failed to pass, would it still be open to the Secretary of State to appoint him?—I suppose it would, but I have never known an instance.

27,481. You have not known an instance of it?—Never.

27,482. Have you ever known anybody fail to pass?—Yes, that I have known.

27,483. (*Mr. Fowler.*) Not many?—I know an instance of a gentleman who failed to pass quite recently, and is not now qualified.

27,484. (*Mr. Lawson.*) Do you believe, at the present time, that the relations between the diplomatic and consular services are as cordial as you would wish them to be?—I should say they are extremely cordial.

27,485. There is not too much formality in their intercourse?—Certainly not.

27,486. (*Chairman.*) Do you ever receive communications from the Board of Trade upon commercial questions?—We are in constant communication with the Board of Trade, but I, personally, am more in communication with them upon consular than commercial questions. The commercial questions go from the commercial department, but there are many consular questions as consuls have a heavy amount of work to do for the Board of Trade. I have here the book of instructions from the Board of Trade, which every consul has to study. This work for the Board of Trade is most important.

27,487. (*Mr. Fowler.*) They are not responsible, are they, to the Board of Trade?—They report directly on many questions connected with shipping to the Board of Trade.

27,488. Without going through you?—No, they send their reports through us; they address them to the Board of Trade and send them through us.

27,489. Do they get instructions or orders direct from the Board of Trade?—Yes, they do, on many routine points connected with shipping.

27,490. On routine points, yes; but, with reference to any particular current business, would it all pass through you?—It does not all pass through us. There may be questions of discipline; if the Board of Trade, for instance, finds that a consul neglects his work, they set us in motion, but, in ordinary cases, in order to save a great deal of roundabout work, they, on certain points, instruct the consuls direct.

27,491. (*Mr. Fowler.*) Have you ever known a consul removed for incompetency?—Undoubtedly.

27,492. You have?—Yes; we keep a strict watch, and, if a consul does not do his work, we are sharply down on him.

27,493. How do you get rid of him; supposing he were a thoroughly incompetent man, how would you get rid of him?—Well, he is simply told he must go.

27,494. You dismiss him from the service?—Yes.

27,495. Does he gets his pension?—We should not bear too hardly on such a man; but, if he goes for misconduct, he goes without his pension.

27,496. I do not mean for misconduct, but from average incompetency?—It would be rather difficult, because he is not entitled to a pension if he goes for incompetency.

27,497. Is that so?—Yes, that is so. In the first place, he is not entitled to a pension at all before he is 60, unless he can prove that his health is shattered, and under no circumstances is he entitled to pension unless the Secretary of State certifies that he has done his work properly.

27,498. Then the rules are not quite the same as in the other branch of the service. I understood you to say to Mr. Lawson, a short time ago, that the rules for pension are the same as in the other branches of the civil service; now, as I understand you, they are not quite the same?—I think Mr. Lawson's question referred to the amount of the pensions.

27,499. The amount, I suppose, is the same—a sixtieth for every year?—The pensions are calculated in the same way.

27,500. (*Mr. Lawson.*) The statutory scale?—Yes.

27,501. (*Mr. Fowler.*) Evidently, there are separate Foreign Office rules for these pensions, which are not the same as those applying elsewhere?—This is the rule made by the Commissioners of the Treasury: "The Commissioners of the Treasury require that the "application of an officer, when forwarded to them by "the Foreign Office for a superannuation allowance, "shall be accompanied by a certificate of the Secre- "tary of State that he has served, to his satisfaction, "with diligence and fidelity."

27,502. That is the same with everyone else?—Therefore, an incompetent officer would lay himself open to not getting that certificate.

27,503. (*Mr. Lawson.*) Has he ever succeeded in earning a disqualification?—As a rule, if he is going, we should be very glad to say "Good-bye" to him, if he is not over-competent, without pressing too hardly on him.

27,504. Do you have anything of the abolition terms which we have heard so much of in the Civil Service?—They are the same.

27,505. Do you often apply them in the case of incompetent officers?—Incompetent officers?

27,506. I will not say incompetent officers—officers that you are not quite satisfied with?—The rule we always try to adhere to in the consular service, and I have tried to adhere to it most rigidly, is, never to deal with a question according to the merits of the man, but according to the merits of the post; therefore, we would not abolish a post for an incompetent officer.

27,507. You would not change a post, nor abolish it for a time, nor make some reorganisation of the consular service in that country in order to get rid of an incompetent man?—No, that is not our way.

27,508. In Turkey, they are not always the same places, for instance, for consular posts; the places vary?—You must vary them occasionally, but that is done according to the requirements of the service. I can say,—very fairly say,—that that is not our practice.

27,509. (*Chairman.*) Have you any recommendations or suggestions that you can make to the Commission, whereby you think that the consular service can be improved?—The only suggestion I could make is, I am afraid, a suggestion which would not be very palatable to the Commission—it would be to give us a little more money.

27,510. And to have a few more paid consuls?—I think the consuls are amply paid.

27,511. A few more paid places?—I should not be inclined to alter the present posts. I think, on the whole, the consular system is properly paid and fully manned. I do not think I could lay my hands on any particular post which is either overpaid or underpaid; but I think that we might, if we had a little more money, establish the posts that I have spoken of,—the special commercial posts,—to obtain special commercial information for the benefit of our merchants. I think we might do that with advantage, but undoubtedly it would cost, as far as I can judge, to do it properly, about 10,000*l.* a year.

27,512. (*Mr. Fowler.*) And the fees are gradually increasing?—The fees are steadily increasing. That is a most valuable earning. We have to set 80,000*l.* a year now against the outlay.

27,513. (*Mr. Lawson.*) In his evidence before the Committee of 1872 Mr. Kennedy said, "Our fees were rather lower than those of other countries." Is that true now?—I should think now it is not the case. The table of fees has been thoroughly revised since then.

27,514. (*Chairman.*) I do not think I quite understand what your view is as to this 10,000*l.* a year which you think might be usefully spent. Do you mean in new places?—I have not thought that question quite out, because I have always felt that it would not be obtained. I think if we had such officers, perhaps, in Russia, in Germany, in Austria, in Italy (we have got an excellent commercial attaché in France, who does the work), also in Spain and Portugal, and in the United States, I think I should apply the system to these countries. If we had in each a consul-general to whom we could assign specially the task of keeping himself in touch with all commercial centres, of obtaining such information as could be useful to our commercial world by constantly applying himself to that work and nothing else, having no ordinary consular routine work to do, it is my impression that we should get a great deal of very valuable information of the nature that has been indicated as being got by the German consular service. But I should make these appointments, if they were made, rather the prizes of the service. I think they should be given to the best men. They must be well paid, because it would be necessary that the officer who held them should be able to mix with the best commercial men in the country. He should be able to entertain a little, and to live so as to keep himself thoroughly in contact with financial and commercial circles; and he would have to travel about a good deal; so that I think, in one way and another, the probability is that each of those posts would cost about 1,500*l.* a year. If we take six of them, we arrive approximately at the amount that I mentioned.

27,515. (*Mr. Fowler.*) Have you said where you will put those posts?—I am speaking quite generally, because I have looked at it as so utterly impracticable to get the money that I have not made out a regular scheme; but I should say one in Russia, one in Germany, one perhaps might do for Spain and Portugal, one for Italy, one for the United States, and one perhaps for Austria-Hungary.

27,516. (*Chairman.*) I see that there is a commercial attaché in St. Petersburg now?—There is; but notwithstanding that, I should have a consul-general, who might be placed at Moscow, and who might work in concert with him.

27,517. (*Mr. Lawson.*) The commercial attaché is also accredited to Constantinople and to Teheran?—Yes.

27,518. (*Mr. Fowler.*) You say that it is so hopeless to get the money, but as the head of the Foreign Office is the head of the Treasury, it is only for the head of the Foreign Office to be convinced that it is necessary and the money is there?—There is something more than a head to the Treasury.

27,519. (*Chairman.*) These men that you propose would be something like commercial attachés, as I understand?—They would not be exactly commercial attachés. The difficulty would be, if they were attachés, that an attaché is, properly, a diplomatist. I think I said earlier, that we hardly understand in England the extreme importance that is attached to official positions abroad. Here and in the United States we do not attach any importance to official positions, but elsewhere they do; consequently you must apportion the rank of your man according to the work that you want him to do. A consul can go into places and get at people hardly accessible to a diplomat: therefore, I would rather have him not absolutely attached to the legation; I should prefer that he should have consular rank, as he would be more useful in that position.

27,520. (*Mr. Lawson.*) Then is it the case that our commercial attachés cannot get hold of the requisite information?—Mr. Crowe, who is commercial attaché at Paris, is a consular officer.

27,521. What about the other, Mr. Law?—His services are mostly in the East, and they are more of a special character.

27,522. (*Mr. Fowler.*) They would not be required in China, for that is already provided for?—I imagine so, but I have no special knowledge of China.

27,523. Who will give us evidence about the Chinese and Japanese service?—I do not think anybody knows that better than Sir Philip Currie does.

27,524. (*Mr. Harvey.*) You mentioned Russia, I suppose, because of the notable difficulty of getting any commercial facts about the interior of Russia?—I believe it is extremely difficult. I know it is Sir Robert Morier's opinion that a good consular officer stationed at Moscow, and able to move about, would get a good deal of information.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock

EIGHTIETH DAY.

7, Whitehall Place, Westminster, S.W., Thursday, December 12th, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

Lord LINGEN, K.C.B.
Rt. Hon. H. H. FOWLER, M.P.
Mr. A. B. FREEMAN-MITFORD, C.B.
Mr. J. CLEGHORN.
Mr. A. S. HARVEY.
Mr. H. W. LAWSON, M.P.

Mr. H. WALPOLE, C.B., *Secretary.*

Sir EDWARD HERTSLET, C.B., called and examined.

Sir E. Hertslet, C.B.

12 Dec. 1889.

27,526. (*Chairman.*) You are, as we know, the librarian of the Foreign Office?—Yes.

27,527. What is your proper title?—My title is librarian and keeper of the papers.

27,528. You have been a very long time in that position and have had a very long service, I believe?—I am now in my 50th year of service.

27,529. We are anxious to have from you a brief explanation of what the special work at the library of the Foreign Office is. The Foreign Office, being the only Department which has a sub-department, such as yours, in it; perhaps you would give us shortly what the work is that is done by the library?—I should like to say at the outset that it has been admitted on many occasions that the title of librarian is an entire misnomer, that is to say, the librarian, so called, has far more important duties to perform than those of an ordinary librarian. Those important duties consist in preparing memoranda for the information of the Secretary of State, and in making précis of papers that are required for the different departments. I should like to say a few words with regard to these memoranda later on, but if you will allow me I will proceed to enumerate the other duties of the department.

27,530. Please take it in your own way.—In addition to preparing memoranda and abstracts of papers, the librarian's department is also the reference room in which all sorts of questions are asked daily. On any despatch or paper coming into the Foreign Office involving any historical question or geographical question, or, I may say, any doubtful point in a political or international law question, a reference is made to the librarian for information; and it is the duty of the librarian or his immediate assistants to supply the information upon those subjects. That is as to the reference room. The next important department is the manuscript library. There is in the library a very large collection of manuscript papers extending over 41 years, and every year a large number of volumes is added to that manuscript library; that is to say, this very month of December 1889, all the correspondence and the diaries of all the different departments in the Foreign Office, the political, the commercial, the slave trade, the consular, and the treaty—all the papers are disgorged from the different departments, and they are sent down to the library with the registers; each department merely retaining for its own use the correspondence for the year, that is to say, they will retain in their departments the correspondence of 1889, but all the papers down to 1888 will be sent to the library. The aggregate of those papers for the year amounts to 75,000 odd; but that probably would be under the mark on an average, as, two years ago the number was 83,960. These papers have to be arranged by some clerks in the library; they are immediately transferred from the pigeon holes in the different departments to pigeon holes in the library, so that if any question arises they may be immediately available. To go back to the reference room, the questions which are asked there increase every year, so that the duties of the department are added to year by year in consequence of this annual accession of papers. Then there comes the printed library, of which we have now 85,000 volumes, including the Board of Trade library, which consists of 25,000. A few years ago the Board of Trade were in a difficulty as to what to do with their library; they were about to remove from Whitehall to Whitehall Gardens, and they did not want to take their library with them; it was a question whether it should be scattered to the four winds or whether it should be continued in another department. I was examined before a committee of the Treasury, and I recommended that it should be handed over bodily to the Foreign Office. I stated that I should be delighted to take charge of it, as I knew what valuable books were contained in it; and so our library is increased to that extent, and we have now 85,000 volumes. That library is looked after by one of the clerks in the librarian's department, who is specially told off for that purpose. He does not move up in the department when a vacancy occurs, but he gives the whole of his attention to that library, giving out books when they are wanted, and making the index. In 1886 he produced a very valuable analytical catalogue of about 1,200 pages, and that catalogue is kept up daily, so that at any moment you can refer to any book on any subject when it is in the printed library.

27,531. What books are regularly added to the Foreign Office printed library?—I do not know the exact number, but we restrict our additions wholly to historical, geographical, and treaty works and travels. We have no light literature—it is all heavy reading—such as is useful for the Foreign Office, but not for other departments. It is only when works have been published which we think contain information likely to be useful to the Office that we take fresh books in. I should think it would be within the mark to say that 200 volumes are added to the library every year. The next department is the registration department, where the arrangement is this: so long as the despatches and letters are in the different departments of the Office they are entered in what we call the departmental diaries, in which are recorded the despatches and letters received and sent daily, together with a short analysis of their contents, but there is no index to any of the registers in any one of the departments. When the manuscripts come to us they are bound, after which they are re-registered in greater detail, and most carefully indexed. The manuscripts alone form between 700 and 800 volumes a year.

27,532. Do you bind in permanent form every single manuscript paper that comes into the Foreign Office?—Everything. I know that a suggestion has been made with regard to the destruction of papers, but I candidly admit that I have never seen my way to recommending that papers should be destroyed. I have always thought that papers should not be destroyed in the library, even if it is admitted that certain papers are valueless, such as Trade Reports, after they have been laid before Parliament. Those manuscripts very often contain information which is not laid before Parliament, and the consul may introduce diplomatic matter which is not thought advisable to lay before Parliament, and on that account the manuscripts are retained; but if it be thought advisable to destroy those papers or any paper of that description, returns of fees, returns of leave of absence, and such like, my idea is that they should be destroyed before they come to the library, because they would form such a mass of papers that it would require a very careful examination in the library to decide which papers should

be destroyed and which should not. I think it would be very undesirable to entrust a junior clerk with the duty of saying whether a paper should be destroyed or not, and the librarian and his assistants have so much to do, that I do not believe they would ever have time to look over all this mass of papers and pick out which were valuable documents and which were not. When they come to the library every paper is bound. Now, every consul and every ambassador is told to number his despatches. No. 1 may relate to an important matter. No. 2, perhaps, to a life certificate. No. 3 to an unimportant subject; if we were to destroy 2 and 3, and then enter 1, 4, 5, 6, and 7 in our register, and a question was afterwards to arise as to whether certain information ever reached the office in such-and-such a year, I am sure that a suspicion would occur to some people that in all probability that information was contained in that particular despatch of the contents of which no record was kept except in the daily registers, and which paper had been destroyed.

27,533. (*Mr. Freeman-Mitford.*) Would not the register show whether it was a mere life certificate, or something of that sort?—If they were to be destroyed you would really have to leave discretionary power to some junior to destroy such and such papers. My own opinion is, that if papers are to be destroyed they should be destroyed by the department which receives them rather than by the librarian to whom they are afterwards sent, or the department sending them on ought to stamp them "May be destroyed." I do not think it ought to rest with a junior clerk in the department to say, "I was of opinion that such and such "papers were useless, and I have destroyed them." I am sure that some very valuable papers would be destroyed, and I know for a fact that some very valuable papers have been destroyed by thousands and tens of thousands in the India Office, which they would give their ears to get back; they were left in charge of certain persons at the India Office, and they were destroyed as useless documents.

27,534. (*Chairman.*) Do I understand that the various departments of the Foreign Office retain in their own hands—in their own pigeon-holes, as you have used that word—all the documents for one year?—For one or two years. They will have next year the documents of 1889 and 1890.

27,535. Do they keep sending in these papers at intervals according to their own judgment, or at the winding-up of the year, so to speak?—The transmission is made to us at the expiration of each year, so that at the beginning of 1890 the whole of the papers of 1888 will be sent to our library, the departments reserving the papers of 1889 and the current year in their own rooms. Therefore, on the 1st of January the departments will only have the correspondence of 1889, but during 1890 they will have the correspondence for that year also, so that at the end of the year they will have two year's correspondence, whereas at the beginning of the year they will only have one year's correspondence.

27,536. Have you anything further to say about the registration department? — In the registration department, in consequence of my not receiving sufficient help, the register fell very greatly in arrear. I might explain that that arrear was in consequence, in a very great measure, of the clerks who are employed upon the register being taken off to search for information to enable the librarian to prepare memoranda. Sometimes there are half-a-dozen important questions referred to the librarian at the same time, and with his sub-librarian and the two assistants which he then had, he was perfectly unable to answer these inquiries, and therefore the register clerks were perpetually being taken off in order to look for information through these departmental diaries to which there were no indexes. To this day, although the Treasury have now been good enough to give me ten additional clerks to work up the arrear which has existed, and although they have also given me four lower division clerks to prevent the register from falling into arrear, my own registering clerks—the permanent clerks in the department—still have to be taken off occasionally to look through these long departmental diaries, to search for information because they have no indexes. When my own register is once worked up all that will be obviated, because there will then be a register to the bound volumes, and those registers will be indexed. Then, in addition to the registration, there has lately been thrown on the librarian's department the compilation of the Law Officers' reports. All the most important legal questions which arise are referred to the Law Officers of the Crown, especially international cases, and it was found very inconvenient not to be able to turn readily to these reports. The consequence was that a suggestion was made that in future, beginning from the year 1861, all the Law Officers' reports should be collected together, bound, and carefully registered and indexed. It was decided also that the most convenient department to make such a compilation was the librarian's department. So, up to this day, every Law Officer's report as it comes in is now printed and bound, and a careful register made of every legal point involved, and an index made. That is done by one of the clerks in my department in addition to his other duties.

27,537. (*Chairman.*) Is that index up to date?—Yes.

27,538. With reference to the old index that you told us was in arrear upon the general register, how far is that in arrear now; how much remains to be overtaken?—The arrears may be said to be from 1872 to 1882—ten years. Ten clerks have been appointed for five years to bring up that. During the first year they have been employed they have done considerably more than they were called upon to do; they have registered about 117,000 papers in one year. So that at the expiration of five years I am satisfied that the whole of the arrear will be brought up. They work for seven hours a day instead of six.

27,539. With the provision now made by the Treasury, I understand you that the index will be complete within five years?—The index up to 1882 will certainly be complete in five years. Then, in addition to that, we have now a staff of three regular clerks belonging to the department, and four lower division clerks employed in working up what we call the modern register, that is to say, from 1882 up to the present date. They register and index about 79,000 papers a year; so that by the end of five years we shall have everything registered up to say 1887. There are always two years which must be in arrear, for the simple reason that as the volumes are not bound then, the indexes cannot be made. It generally takes two years to bind these 700 volumes, for the reason that they are bound in the Office, and that our bookbinder has a limited staff; they are not bound roughly as ordinary papers are, but every paper is carefully examined by our binder, so that nothing of any importance is cut off; he does it under his own superintendence; in fact, I believe he does it himself. That is done in the Foreign Office; he has only a limited staff, as I say, and a limited space, and it takes time to do the work. I said 700 or 800 volumes, but he told me a day or two ago that he had bound during the last year, including registers and what we call "cases," 1,000 volumes. In consequence of this the correspondence of 1888, for instance, will not be fit to be registered until the end of 1890 at the earliest.

27,540. Is it not a fact that if you were called upon to prepare a memorandum probably the correspondence of 1888 would be the very correspondence that you would want to refer to?—Certainly. I quite admit that I should be only too delighted if the registers, when they come to me, were accompanied by an index, but unfortunately they are not, and, therefore, if any information was required about the correspondence of 1888 the register of that year would have to be examined. That entails a great deal of labour, but as it is now the correspondence not for one year only, but for 10 years or more will have to be looked through until the arrears are worked up.

27,541. I suppose you would not say that that was a satisfactory state of things?—I should be very glad to see it removed if it could possibly be done without incurring great expense. As far as my knowledge of the different departments goes, I do not think there is any junior in the political department or in the consular department or in the commercial department who could be detached for the special purpose of indexing the registers. It would be a great expense to appoint men in each department for that purpose. There are five or six distinct departments, and they each keep their own registers divided into countries, so that there would have to be an index to the registers of each country. I should be very glad if it could be worked, but I have never been able to see my way to it being carried out.

Sir E. Herstlet, C.B.

12 Dec. 1889.

27,542. (*Mr. Freeman-Mitford.*) Practically there has never been any very great difficulty, has there, in getting at the papers of a given year, or bearing on a given subject?—No, for this reason: of late years they have adopted a very excellent system of keeping papers together in "cases" more than they used to do, and that has been of very great assistance to the Office.

27,543. That was always done, was not it?—Not to the extent that it is now. It has been found to work so well that it is enlarged upon. I think there were about 200 volumes of cases in this last year.

27,544. (*Chairman.*) Is there any reason why there should not be one general register for the whole Foreign Office, and each paper indexed as it is registered daily?—Then you would have to establish a registration department similar to that which, I believe, exists in other offices.

27,545. What would be the objection to that?—The papers would go to the register department, would they not, before they came to the political department, or is it suggested that the political department themselves should have the index done?

27,546. I am not making any suggestion. I am merely asking you as a man who has had experience of the present system and seeing the difficulties of it, whether there is any reason why the papers should be dealt with in the way in which they are dealt in the Foreign Office, and why there should be this extreme delay, and this great labour, or whether it is not possible for the papers to be indexed and registered at once?—I do not think it can be done without bringing about a complete revolution of the whole system of the management of the Foreign Office.

27,547. (*Mr. Freeman-Mitford.*) Is there any difficulty in the present system?—None whatever.

27,548. (*Mr. Fowler.*) You say there is no difficulty in the present system. You admit that you are more than 10 years in arrear, and that Parliament is called upon to provide 10 clerks for five years. Surely you would call that a difficulty?—I look upon that as remedied.

27,549. Would you not call it a remedy for a very flagrant disease?—I think if the staff of the Department had been increased some years ago this great arrear of register would not have occurred. Although the correspondence increased from, say, 24,000 to 80,000, the Treasury never gave one addition to the staff of the librarian's department for 40 years, not one. In consequence of that, after all these years, instead of giving me one they give 14 registrars in one day, 10 temporary register clerks to work up the arrears, and four lower division clerks to prevent it falling into arrear again. Arrangements were at the same time made by which an additional hand was made permanently available for the reference room.

27,550. (*Chairman.*) I think you have told us that it is your duty and that of your assistants to prepare memoranda in the library?—Yes, when we have the papers in our possession.

27,551. I think you used the words upon historical subjects?—Yes.

27,552. Could you give us a more definite idea as to what that means; does it mean when it involves a reference to papers beyond a certain date?—I will put it in this way: A question arises, say, about the recognition of Corea; they send to the library and ask, can we treat with Corea as an independent State. They send the paper to me, and I look through all available printed information to see whether Russia, for instance, has recognised Corea as an independent State. I look to see what view France has taken; I then look to see what China claims, whether she claims Corea as a tributary State; and what Japan thinks of it. Having collected all the information together from printed works, I then look over our manuscript correspondence to see whether we have ever remonstrated, say, with Russia as to what her action has been with regard to Corea. I then look through the French manuscript correspondence, and see what the French have done; so with the Chinese, so with the Japanese, and so with the American. Having collected all this information together I proceed to draw up a memorandum, and I give an historical account of all that has happened for a century with regard to Corea. To that memorandum I attach a map, to show how far Russia is interested, how far Japan is interested, and how far China is interested. That is put into print, and partly upon that information the Secretary of State acts and decides whether he will treat with Corea as an independent State or not. I merely mention that as one of the instances that I could produce, but there are numerous other instances.

27,553. Of course that would be an important memorandum?—That is what I call a memorandum of an historical nature.

27,554. Could you give us any idea how often questions of that sort, on an average, come to you to be dealt with?—Between 1875 and 1889 the memoranda prepared in my department amounted to 2,800.

27,555. Are all these memoranda printed?—Over 300 of them have been printed. Some of them were of great length, some of them were 150 pages or more in length. Many of them have a carefully prepared index or a table of contents, forming an historical preface arranged chronologically.

27,556. (*Mr. Lawson.*) How long would it take you to prepare such memoranda as you have mentioned with regard to Corea?—It would take three or four weeks. I may say that it would be impossible to do this always in office hours, and therefore I do a great deal of my work at home before office hours. As you may suppose, these papers, when they are put into print, are standing records, and therefore form the documents for the guidance of not only one Secretary of State, but of future Secretaries of State, so that if any question were to arise hereafter about Corea, that would be given out as the document upon which the Government had partly acted.

27,557. (*Mr. Cleghorn.*) When done it is done for all time?—It is done for all time.

27,558. (*Mr. Freeman-Mitford.*) I suppose that memoranda of that excessively important nature do not very often turn up, do they?—They are increasing every day. I have got three or four most pressing memoranda of that kind on my table at the present moment. Only last year I prepared a memorandum relating to marriages abroad. Marriages have been solemnised abroad under the Ministers and under the Consular Act; irregularities are being committed very frequently under those Acts owing to the consul, say, not quite interpreting the meaning of the Act or to some other informality. We have promised the injured parties over and over again to pass an Act of Parliament to legalise their marriages. I was asked to prepare a memorandum showing where those irregularities had occurred, and I produced a paper about 150 pages long, giving an account of every irregularity which had occurred in every part of the world, whether in Mahomedan countries, or in France, or Germany, or elsewhere, and classifying them under the heading of the irregularity. For instance, if the marriage had been declared irregular in consequence of its having been solemnised by an acting vice-consul, it would be classified under the heading of acting vice-consul, and then there would be a reference to the Law Officers' opinion, stating whether such marriages were valid or not. That paper now is referred to every day. These irregular marriages are taking place still, and we hope to pass a Bill next session to declare valid, marriages which have been irregularly solemnised.

27,559. (*Chairman.*) Are there any memoranda of a more current nature that you have to prepare on which frequent references are made to you in the course of your ordinary day's work, or do you deal generally with large questions such as those you have mentioned?—Yes; I may say daily—hourly—references are made to me, I am afraid one must be a little egotistical in these matters, but important questions are more directly referred to myself, especially if they are treaty questions, because I have made questions of treaties my study, and therefore they would refer that matter to me. Still, I am very ably assisted by two gentlemen in my department.

27,560. You have told us that it is one of your duties to prepare memoranda, and you have given as illustrations two large subjects which you have dealt with to the length of 150 pages apiece. What I want to know now is, whether some of the ordinary current memoranda, which in other offices are done by the various heads of the departments for the Secretary of State, are the kind of memoranda that you draw up?—The departments draw up the memoranda on the papers which they have got in their own possession.

27,561. Each department would come to you for further information, if anything was of an historical character, as to which they required further infor-

mation; is that so?—They would draw up the memorandum upon the papers in their custody, but if the subject involved a memorandum relating to previous years it would, as a rule, come to me.

27,562. Therefore the department, as I understand it, when it became necessary to prepare a memorandum upon any particular current subject, would only do so themselves if it referred to one year back, because then, according to the system of the Foreign Office, they would have all the papers in their possession?—Yes, but they also keep "cases"; and, for some years until the case is actually settled, those cases would be kept in a pigeon-hole; and if a question were to arise upon any case, they would write a memorandum to the Secretary of State to show how that particular question stood Say, for instance, a Revolution occurred in Hayti; they would keep the papers relating to that Revolution in the pigeon-hole until the question was settled.

27,563. Such a paper as that dealing with a Revolution in Hayti would be an exception to the rule which, I understand from your answer, really prevails, namely, that all the papers of 1888 come, at the end of 1889, to you?—There are exceptions.

27,564. Exceptions of all current business, is not that so?—Yes.

27,565. Then, of course, there comes a further question which I do not understand. If current papers running on in a case like Hayti are kept in each department, how can you bind the papers in the register, because some of these papers are kept back in the cases?—They are bound as cases when made over at the end of the year, if the cases are finished; they are not inserted in the volumes.

27,566. They are bound according to subject and not to number?—Yes.

27,567. (*Mr. Freeman-Mitford.*) Would any reference be made to that in the bound book?—A note would be put in the register—such-and-such a subject; "Case." As I have said, they are all bound together as cases.

27,568. (*Mr. Cleghorn.*) Although they are of different years?—Yes, although extending over some years.

27,569. (*Chairman.*) I think you told us that you prepare a précis of papers. Is that simply where references of the same kind are made to you?—Take a case that occurred only two or three days ago. A question arose about the church at Copenhagen. An application was made to know whether the minister might act as trustee for the church. They sent down to the library to know what was the history of the establishment of the church at Copenhagen. It would be the duty of one gentleman in my department to look through the indexes and the registers, perhaps extending over 20 years, to give the origin and the foundation of that church, and to show what had transpired since; he would then give an abstract of the correspondence, winding up by drawing the Secretary of State's attention to the fact that in 1873 Her Majesty's Government withdrew from all responsibility in connexion with most of the British Church Establishments abroad. It would be his duty to point that out also.

27,570. (*Lord Lingen.*) Have you seen the working of the register or paper room in any other department except your own?—No, I have not. Some years ago I wrote to different departments and asked them what their system was. I found they differed so widely from the Foreign Office arrangement that I could not make such an abstract of them as I thought would be applicable for the Foreign Office.

27,571. I think I understand from your evidence that when a letter comes in in the morning there is no general register of the whole Foreign Office correspondence?—Certainly not.

27,572. None?—None.

27,573. You are aware that in most of the other departments, the Treasury certainly, and such other departments as I have been acquainted with, there is one general register into which every letter passes in the morning; it is then stamped, and becomes a matter of record, with its date, whom it comes from, and, in the fewest possible words, what it is about, is entered into a book. That is done day by day. In that stage it goes into the paper room, as it is called. The head clerk in that room does not prepare a *précis* upon it, but he refers to his own indexes, and he ties up all the papers he thinks relevant. In that form it goes down into the department to be dealt with. The head of that department, if he wants more papers, or finds any missing, sends for them. Now, as I understand it, in the Foreign Office, if a matter of any very great importance comes in, it is not the original documents that are sent down to the department, but you prepare a *précis*?—Yes, if it relates to past events and the papers are in my custody.

27,574. And upon that *précis* the political clerks and the minister at last proceeds to act?—Yes, to a certain extent.

27,575. In point of fact, you, in your department, are responsible for the statement of the case on which the political part of the Foreign Office acts?—That is, supposing they are carried back for some years. If the question was of a current nature, the department would supply the memorandum and the papers themselves to the Secretary of State, because very recent papers are not in my custody.

27,576. It would not come into the library at all?—Not at all. If any questions arise this year, anything, as I say, about Hayti, or anything of that kind, the department would have the correspondence of 1888 and 1889, and they would send up to the Secretary of State such of those papers as they might think material to the question. They would not send up all the papers upon the subject.

27,577. They would send up all the original documents?—They would send up some of the original documents.

27,578. With reference to these memoranda of cases like the Corea, which take a considerable time to prepare, do you in the margin of them put any reference to the original papers?—Invariably.

27,579. So that if the Secretary of State wanted to see the original documents of one of your memoranda, he could immediately send for it?—Immediately. I make it an invariable rule.

27,580. Of course in one of those long memoranda you yourself cannot go, as a rule, hunting into the pigeon-holes; the searching of the registers, and the getting hold of papers must be done by the clerks in your own department under your own direction?—Yes, certainly.

27,581. These cases are of the very utmost importance, on which peace or war may depend, and all sorts of commercial things of importance; would not you say that the making up of these memoranda is about as responsible work as one can think of, highly responsible?—I have always thought so.

27,582. Then you have got a class of clerks, apparently, in the librarian's department, who assist you, who are on a very different scale of prospects and promotion to those in the political department, is not that so?—That is so.

27,583. What do you think of that arrangement?—The clerks of the librarian's department have always felt that as a grievance, and have thought that they ought to be better paid.

27,584. What would you say to this proposal that the young gentlemen in the political department should of necessity in their earlier years pass through your department and become familiar with the records that are in it, and how these memoranda are composed and made up?—It would be very useful to them, no doubt, they would gain an immense amount of knowledge by it; but they would be a little *de trop* in the department, because we should have to teach them their duty, and when they had gained their knowledge they would leave us and take it away from us. It would be a great advantage to them, but I do not think it would be a benefit to the service. I would rather retain the gentlemen who have learned the work.

27,585. I can quite understand that it would not add to the comforts of the librarian's department; but, still, if they were not in too great numbers, what would you say? You have got about 10 clerks, I think, on your establishment; if one or two of those were intelligent young gentlemen brought in, and even if they left you at the end of a couple of years that would not disorganize your department at all, would it?—Not at all, we could give them work to do, I have no doubt.

27,586. Then to go a step further, do you acquiesce in the fact that the clerks in your department should be kept there, or do you think that the best of them and those who have shown themselves competent might with advantage pass into the political department?—I think it is very desirable that my department should

Sir E. Hertslet, C.B.
12 Dec. 1889.

be distinct. The only thing I am anxious about is that the appellation of "librarian's department" should be removed. I have always felt it a stigma, so to speak, because one has never got credit for one's work. I know that the question has been asked in the House of Commons, why there were two librarians in the Foreign Office? (which was not the case) and the answer has been, because they have got to look after so many books; and that has been considered a satisfactory answer in the House of Commons. Again, it has been stated in the House of Commons, more than once, that the librarian does not draw up reports unless they are more than 15 years old. That rule has never been generally acted upon since I have been in the office, and Lord Hammond admitted in the House of Commons that, although this rule was in existence it was not acted upon.

27,587. The object of that remark, I presume, was to show that the library was, to that extent, only a department of registration and record, and not of action, as you may say?—Yes, I presume so.

27,588. That was the inference intended to be drawn?—The idea was that it would be beneficial, I think, to the office if the political departments were to draw up their own memoranda extending over a longer period than two years. My feeling in the matter has always been this: that the duty of searching for information and furnishing it, should fall upon the library. Go back to the question of Corea; supposing that the political department were to draw up the papers about Corea, I should have to suggest where to look for the information, I should have to mark the printed books, I should have to mark the correspondence, and to mark down in pencil the passages which relate to a particular subject. I should then have to send up a mass of books to the department. The duty of preparing the memorandum would then be a very simple one; indeed it would be simply making an abstract of papers for which somebody else has provided the information; and the responsibility of the gentleman drawing up that memorandum would be nil, because he would say, I merely drew up the papers from the information given to me. My idea has always been that this system of drawing up memoranda in the library has acted admirably. There is not a prime minister or secretary of state for the last 50 years to my certain knowledge who has not admitted it to be a most admirable system. I think that it is a system which ought to be perpetuated, because it has worked so well that it has grown up in the office and forms part of it; in fact, it has been admitted that the library now is the pivot upon which the whole machinery of the Foreign Office turns. I stated to Lord Rosebery, when he was Secretary of State: "I say, my Lord, "most humbly, unless you look into this question of the "registration, the whole of this Foreign Office will stop, "because of the impossibility in future of preparing "these memoranda. If questions are asked by the Secre- "tary of State at present, he refers to those who have "had long experience in the Foreign Office. There are "others that have had long experience besides myself "in my department. With such experience one can "tell by inspiration where to go for information, but "when the time comes for those gentlemen to retire" —one of them retired the other day, taking 50 years' experience with him, another will retire in the course of a few months, my turn must come to an end before long,- "then," I said to Lord Rosebery, "when those "gentlemen who have this knowledge retire where "will you go to for your information. You will "naturally say 'to your registers and indexes.' But "how will you feel when you are told that these "registers and indexes are not kept up; then what "will become of the Foreign Office."

27,589. This is, of course, subject to any difference in degree, true of every office whatever, that its paper room containing its past records of its business by people deceased and by people who survive from one generation to another, has to keep up its continuity. I do not see my way to stating that as a difference in point which relates to the Foreign Office. I will just ask you now this question on the memoranda. Do many of the difficult ones that you have to prepare yourself or to superintend in the course of the year run back further, we will say, than 30 years?—Some do.

27,590. Have you often to get papers over 30 years?—Yes, certainly; sometimes even over 40 years. We have to send occasionally to the State Paper Office for the papers which are preserved there. We should refer to those papers much more frequently if they were still under our roof. I parted with them with great regret.

27,591. By State Paper Office, do you mean the Public Record Office?—Yes.

27,592. On what system do you send papers to the Public Record Office?—Every three years we make a transmission of about 3,000 volumes.

27,593. Going to the oldest ones?—Up to 1847, inclusive, the papers are at the Record Office. All papers since that date are at the Foreign Office. A couple of years hence, when the correspondence and the more modern papers are bound, we shall make a transmission, perhaps, of two or three thousand volumes, so that there is a continual move going on.

27,594. I should like to come, while we are upon that point, to the question of destroying papers. There is an Act of Parliament of about 15 or 16 years ago authorising the destruction of old papers. Have you looked at the machinery that has been adopted in other departments in consequence on that subject?—Yes, I have seen it.

27,595. Perhaps you are not aware, or you may be, that that Act was passed in consequence of many departments, like the revenue departments, and like the War Office and Admiralty absolutely threatening to outgrow any buildings that could be prepared to hold the waggon loads of papers, such as regimental and other returns that came. In order to meet that, an Act was passed authorising the destruction of papers. In all those departments now they destroy the papers which they do not think it necessary to preserve before they send the residue to the Register Office. Your view is, that that system would be a dangerous one to adopt in the Foreign Office, as I gather from your evidence?—I think it would, for this reason, that our volumes are all bound, and you can only make a distinction between valuable papers and unimportant papers by breaking up those bound volumes.

27,596. Now, let us come to the point. Before you bind them, these papers do not go for binding till they come out of the departments to you. A paper is not bound until it is three years old, is it?—Two or three.

27,597. Is it bound at the end of two years?—Yes.

27,598. Of course, I admit you must keep all papers much longer than two years, but do you think it is necessary to bind so rapidly as that?—I think it is very important that we should have them bound, because papers get lost, we consider, if they are not bound. It is a very advantageous system, I think, binding them as rapidly as possible, and the only thing I have objected to is the bookbinder not getting on quite quick enough.

27,599. When they are bound, are they bound in order of date?—They are bound in order of country and date.

27,600. To bind a volume on which you have to mark a dozen papers is a very unhandy form of reference. In the offices that I know of there are pigeon holes without end, and the most careful indexes to all the papers which are put away in those pigeon holes in order of date. You may have to go to 20 pigeon holes to make up the materials of a reference, but in that way the separate papers are a very great convenience for daily business?—We obviate that now by binding them up in cases as much as possible. I am quite willing to admit that there are many papers which can be destroyed, papers, for instance, in the shape of trade reports, returns of fees, leave of absence, and that sort of thing; but I think they ought to be destroyed by the department which has had the manipulation of them, and has done with them, instead of sending them down in sacks to the library and expecting some junior to discriminate between what he considers a valuable paper and a useless one, and what may be destroyed and what may not. I think it ought not to come to us but that the man who has dealt with the paper and has put it into print should decide whether the manuscript is no longer of any use; then I see no harm whatever in his destroying it.

27,601. Of course I do not contemplate any sudden revolution in so great a system as that of the library of the Foreign Office. I am more anxious to get your long experience as to the possibility of some change. Suppose, for instance, papers, instead of being bound at the end of two years were bound at the end of, we will say, 30 or 25 years, and that in the meantime they were kept as separate papers, as they are in other departments, and carefully indexed and put in pigeon holes. The system that I am familiar with goes upon these lines: we keep papers in the Treasury for 25 years.

Certain classes of papers we keep for ever, but those are extremely few. At the end of the 25 years there is a classification drawn up of perhaps 20 heads. If a paper falls under those heads and is over 25 years of age it is destroyed. The head of the paper room, or one of his most responsible officers, has this list before him of categories of papers. He looks over the year which is passing out of date; he has only one year to deal with at a time, when you once set the system going. Each of the papers that are 26 years old, at his leisure he goes over, taking them down from the pigeon holes with the 20 categories of papers before him. The result of that is this: it was at work for some years in the Treasury when I was there, with no sign of harm to anybody. Two thirds of the papers were destroyed, and it was only the other third that passed into the register office. We kept a book, and every single paper that had gone through our hands was marked down, whether it was destroyed or not. We kept all the daily registers, and therefore we could find in that way whether any paper had been received. As time goes on, it seems to me that the present Foreign Office system threatens a most dreadful bulk, if you have 75,000 manuscript and 85,000 printed volumes, as I understood you to say?—Yes, those are the numbers.

27,602. How many volumes, do you think, are there in your library, since 1847, of Foreign Office papers?—There are now about 23,000 volumes of papers.

27,603. Of papers?—Yes, bound volumes of manuscripts.

27,604. Are you at all pinched for room, even in your new buildings?—Yes, we are.

27,605. So that, supposing for a moment you could diminish those papers by half or a third, it would give you a much longer lease of your buildings being sufficient?—It would, but of course I am naturally prejudiced in favour of the old system, and I should also very much dislike the responsibility of saying what papers should be destroyed and what should not. I have very often found that papers which I have thought were unimportant have turned out to be very important.

27,606. At as great a distance as 30 years?—I think so. Questions have been asked whether people's names appear in earlier papers. Some Russian Jew, for instance, may be inquired about; and the question may be asked: "Has this man ever written to the Foreign "Office before; or is anything known of his career?" We turn to the papers and find there a letter giving the whole account of it.

27,607. Taking the mere chances of human life, if a man has not been heard of for 30 years, it must be rather unlikely that you would hear of him again?—Well, perhaps so, but cases of the kind do occur.

27,608. Referring to the system I have described, I am afraid you are not very likely to be called upon to carry out any part of it more than this: Supposing the Secretary of State were to say to you "I think we "ought to contemplate the destruction of papers after, "we will say, 30 years;" could you draw up heads under which, if papers fell, you think they might be safely destroyed by a responsible clerk. He would use his own common sense if he thought there was anything exceptional in them, but do not you think you could draw up 20 or 30 heads under which, if a paper 30 years old fell, it might, without loss to anybody, be destroyed. I do not say that a case might not arise some day or other in which that particular paper might be wanted, but that the convenience would greatly outbalance any likely inconvenience?—It stands to reason there must be a great many papers which are of no permanent value.

27,609. I will not press that point further. I will go now to one other point which you mentioned, the binding of your papers, and the very great delay and difficulty which occurs to yourself from the long time that has to be taken in the binding, was not that what you said?—I was thinking of their not being brought upstairs. They remain in an unfinished state in the bookbinders' room, but they are all numbered, every book is numbered, so that we can get access to it; we can send to him for the book, and, being on the premises, it is always forthcoming. It does not take him so long to sew them, as he calls it, as it does to bind them.

27,610. Is there any serious practical difficulty?—No difficulty has arisen, except that we should like to have them put in our own room.

27,611. They are down in his room until the binding is finished?—Yes.

27,612. And he goes on with them when he can?—Yes, he binds on the premises, and therefore, he is always available.

27,613. I am aware from having to preserve these papers, and from their being of all sorts and sizes, that the binding is a work of art; it is also a work, I think you hold it naturally and rightly, of a very confidential character?—Yes.

27,614. Would not the delay in getting these volumes finished be met if they were sent out of the Foreign Office to a great binder who had a large staff?—Yes, if you could trust him.

27,615. If you could trust him?—Certainly.

27,616. Have you ever given your attention to whether it would not be possible to make such terms with some large binder that he should have a confidential department, and should be able to do this work much more rapidly than it is done in the Foreign Office?—No; such a suggestion has never been made, and I should be sorry to make it.

27,617. Your memoranda are printed in the Foreign Office. Is all the printing that you do for the department so done in the office, or is any part of it sent out?—The parliamentary printing is sent out, but it is done by the same printer.

27,618. But your departmental printing is actually done within your own doors, is it not?—It is actually done under our own roof. There is a staff of printers under Mr. Harrison, and they print all the confidential papers on the premises, but in reference to the parliamentary work, when the confidential printing is revised and run over, to be laid before Parliament, the forms are then sent up to St. Martin's Lane, and there the printing takes place. All the parliamentary printing is done out of doors, but the confidential printing is all done under the roof of the building.

27,619. In that respect again the Foreign Office differs from other offices where exceedingly confidential printing has to be printed unofficially?—Yes.

27,620. Is the printing in the Foreign Office—one of your own long memoranda—done with adequate dispatch, or is there delay in it?—It is done with great despatch.

27,621. (*Mr. Cleghorn.*) There seems to be only one printer and one reader in your printing establishment, according to the estimates?—I think there are as many as 50 men; it is a permanent establishment.

27,622. Their payment comes under some other head?—Yes. They are paid by Mr. Harrison.

27,623. As I understood you, you have 75,000 manuscript papers every year?—Yes.

27,624. Into how many bound volumes do you compress those?—Between 700 and 800.

27,625. So that there are 700 to 800 volumes added to the library every year?—Yes.

27,626. Amongst those 75,000 papers are included, I take it, everything that comes from abroad to the Foreign Office, including ambassador's despatches and consular despatches; there must be a great many consisting only of a single sheet of paper, and of very little importance; the bulk is very large, 75,000, but a comparatively small number of those will be of permanent importance?—A very considerable majority are, because it must be remembered that they consist of despatches from every ambassador and minister in every part of the world, as well as from every consul. There is a consular series, a commercial series, an African series, and a treaty series, besides the diplomatic. Then there are the letters to and from Foreign Ambassadors and Ministers, and those which are addressed by private individuals to the Secretary of State bearing upon the subject of any particular country, and it would be very dangerous to destroy letters of that kind, I think, as they are the foundation of claims against foreign Governments for ill-treatment and so forth. Many letters sent to the Foreign Office contain a grievance of some kind, and they are very often of long standing. I may mention a fact that just occurs to me. Some years ago, when a treaty was signed with America with regard to claims, it was agreed that all claims which had been brought by one country against the other from 1814 to 1853 should be examined by a mixed Commission. The Americans brought forward a very large number. By the examination of

Sir E. Hertslet, C.B.

12 Dec. 1889.

our papers and our registers we were able to produce more than 70 folio volumes of letters which had been addressed to the Foreign Office by claimants who had grievances against the United States, and our claims were put against theirs, and there was a give and take. If all those papers had been destroyed not one of those claims would ever have been brought forward before the Commission. That may be considered an exceptional case, but it shows the advantage of not destroying without due care and consideration papers however unimportant they may appear to be. When the papers are once bound up (which appears to me to be the safest plan) they are put upon shelves, and it is merely a question of space, and where they are indexed you can refer to any subject and to any name and the paper is at once forthcoming; whereas, if papers are simply entered into a daily register and, as Lord Lingen was suggesting, they should be afterwards destroyed, there only being a record in the register that the paper had been received but not of what had become of it; then if it was wanted, well, the librarian would be blamed, I suppose, for not being able to produce it. Where papers have been destroyed, every entry in the register would have to be gone over and marked against it, "destroyed," "destroyed," "destroyed." I think it is by far the safest plan to preserve the papers, at any rate, it is my experience of half a century that most unexpected papers are sometimes called for, and the readiness with which they are produced has been a great saving of public time and a great convenience.

27,627. Has each volume an index of contents prefixed to it?—No, there is no table of contents. The contents of the volume are entered in the register, and that register is indexed, so that the difference between our register and the departmental register is this, that we give a fuller description of each paper, and refer to the bound volume; so that when information is sought for you go first to the index then to the register, and you then take down the bound volume which contains the paper. We have found the system of loose papers very inconvenient.

27,628. Then, as I understood, you transfer papers to the Public Record Office periodically?—About every three years we make a transmission.

27,629. Of about probably 2,000 or 3,000 volumes?—About 3,000 volumes at a time.

27,630. How long are they kept there?—For all time.

27,631. How long do the papers in the Public Record Office go back?—They go very far back. That reminds me of another of the duties of my department. Applications are being perpetually made by historians and others to have access to our earlier papers. I have got at this moment on my table a request to see the papers of 1760. We not only correspond with the Record Office whenever any stranger wishes to have access to these papers, but they are only allowed to publish the papers after they have been looked at by the Foreign Office to see whether any objection exists; and it is the duty of my department to look over those papers to see whether there is any objection to their publication.

27,632 (*Lord Lingen.*) You mentioned a very useful work that your department had done, in binding and indexing the law officers' reports?—Yes.

27,633. You began that, I believe, in 1861?—Yes; there is one volume previously to that, which contains all the law officer's reports relating to the Crimean War, from 1853 to 1856.

27,634. Then, practically, you have got their reports for the last 28 years?—Yes.

27,635. You have also got in your volumes, I presume, their reports before 1861, in an unbound and unindexed state?—Yes, certainly.

27,636. Do you find that you have to refer, as a matter of fact, to any law officers' opinion earlier than 1861?—Certainly.

27,637. You have?—Yes.

27,638. So that, at any rate, if you were forming categories of destruction, you would exempt the law officers' opinions entirely from destruction?—Before 1861, and since?

27,639. I understand you to say that you began to bind and to index these reports in 1861. What I was aiming at, was to get your opinion upon this point; having fixed 1861, that is, 28 years back, as the practical limit within which you have made those reports available, have you found that that limit would have been very inconvenient if it had been the limit of destruction instead of the limit of binding. Have I made myself clear? Supposing you had got no law officers' reports before 1861, should you have been put to any great practical inconvenience?—Yes; we should very much prefer that they should have been printed and bound before 1861.

27,640. It is not quite an answer to my question to say that you would have preferred it. Have you been put to any practical inconvenience from those earlier reports not being in so available and convenient a form?—No very great inconvenience, because we have been able to find them out from our indexes; but still, since the law officers' reports have been bound, we have a general index in which all subjects, for instance, such as foreign jurisdiction, are referred to, and that only goes back to 1861. Now it would have been a very great convenience to us if we could also refer to the reports which have been made by the law officers on the same subject, previous to 1861.

27,641. Have you had, as a matter of fact, any considerable number of cases in which you have to refer to earlier reports than 1861?—We do have to refer very often.

27,642. Very often?—Yes.

27,643. Could you give us in one sum the annual cost of your department?—The Foreign Office list would show it. There is one statement I should like to make here, and that is, in the estimates laid before Parliament my department is given credit for two second-class clerks which do not belong to it, and never have belonged to it, and I believe, never will belong to it; therefore we are credited with having two more men than we really have.

27,644. In the estimates you are charged with four second-class clerks?—We have only two.

27,645. (*Chairman.*) There is a foot-note stating that they are otherwise employed?—Yes. I have always thought it is rather unfair to my department that I should have credit for them at all. They have never belonged to my department, they have never passed a competitive examination before the Civil Service Commissioners as my men have done, and they are merely tacked on, I do not know why. I was not asked and, as I have said, I have always thought it a little hard on my department that I should have the credit of those two gentlemen, when I have not got them.

27,646. (*Mr. Lawson.*) I should like to ask you whether you keep covering letters and bind them with the other papers?—We have very few papers of that nature.

27,647. I have often seen in parliamentary returns a paper sent to the Foreign Office enclosing a report from consuls in different parts of the country to which the minister or ambassador is accredited. Would you put those in the bound volumes?—Yes, everything would be kept.

27,648. Every paper?—Every numbered despatch is bound.

27,649. (*Mr. Cleghorn.*) That sort of paper might be destroyed, I should think?—It might be destroyed, except that it would be a numbered despatch. There is the difficulty, you would have to make a note of its destruction.

27,650. You want to preserve the series?—Otherwise you must make a note of what has become of the papers you have destroyed.

27,651. (*Mr. Lawson.*) Do you consider that the work done in your department is really of a less confidential kind than that of the political or diplomatic side of the office, as they call it?—On the contrary, I think it is quite as confidential. That fact has been admitted by the departments themselves. Some years ago a paper was written to that effect, which was signed by the late Lord Tenterden, the present Sir Philip Currie, Sir Thomas Sanderson, and all the men who had risen to hold important positions in the office. They signed that paper, unsolicited, stating that the duties of the library were second to none appertaining to the political departments.

27,652. Do you think, then, there ought to be in that office these absolute barriers between different classes of clerks, although all may be employed, on different occasions, on the same confidential class of work?—I think an amalgamation would be very undesirable,

but I think that certainly those who draw up the confidential reports should be considered as holding the same important position in the Foreign Office as the diplomatic department; but, I think it is very important that those who are employed in the library should make that department a career, and that they should spend their lives in that department. In the other departments in the office they are perpetually shifting the clerks. The clerks who are in the western department after a certain number of years are drafted into the eastern department and so forth, but the library, the chief clerk's department, and the treaty department are the only departments where the men remain permanently. I think if you were to knock down the barrier, and to say that they might interchange with the diplomatic staff of the office, that it would be anything but beneficial. I think the present system works very well.

27,653. As a matter of fact, is there any interchange between your department and, we will say, the treaty department? — There is no interchange, but there have been two occasions upon which men in my department have been transferred to the treaty department, but then both the departments are considered to be what are called outlying departments.

27,654. I understand that; but I imagine there is some similarity in part of the work that you do in your department as you have to refer constantly to treaties of a bygone date?—Yes, there is a good deal of similarity between my department and the treaty department.

27,655. Do you think it is an advantage that a clerk in the Foreign Office should be kept for the whole of his time there to one particular branch and obtain no expert knowledge of the others?—They do interchange in the diplomatic departments.

27,656. In departments Nos. 6, 7, and 8, that is, the library, the chief clerk's, and the treaty departments, it is quite an exceptional thing, I understood you to say, to have interchanges?—Yes.

27,657. Take these clerks in the librarian's department; does their being marked off in the estimates as being in your department mean that they are not available for any other, and would not be transferred to any other?—I really do not know what it means; they have no more to do with my department than they have with the political department or any other department; why they were tacked on to my department I do not know; it is purely nominal. They have never served in my department, and I do not believe they are likely to do so. I do not know why this entry is made in the estimates. I suppose it is for convenience.

27,658. You are now referring to the two you mentioned?—Yes, the two second class clerks.

27,659–60. The rest, of course, belong to your department?—Yes. There are 14 in my department at the present moment, including four lower division.

The witness withdrew

Mr. Charles Malcolm Kennedy, C.B., recalled and further examined.

27,661. (*Chairman.*) We have asked you to come back because we wish to ask a few questions with respect to the consular side of the Foreign Office. I will ask you, in the first place, whether, having looked at the evidence you have already given, there is any point in it to which you would like to make any addition?—There is not.

27,662. You told us in your former evidence that your department had communications with merchants and trading associations?—Yes.

27,663. Do you have communications from them generally, or to any extent, as to the character, satisfactory or otherwise, of the members of the consular service, I mean as to their being sufficiently alive to the commercial interests of the country?—We have heard nothing from them to the contrary. Perhaps I may add that yesterday I asked the clerks who keep the registers in my department to look to the correspondence of last year and this year in order to see if they could find any complaint of remissness in regard to the commercial interests on the part of either the diplomatic or the consular services, and the answer is that no such complaint can be found.

27,664. You know the method in which the consuls are appointed, of course?—Yes.

27,665. That is to say that it is entirely a matter for the discretion of the Secretary of State, and that the limit of age is between 25 and 50?—Yes.

27,666. Within your experience as head of the commercial department, does it occur to you that, irrespective of any complaints of the system, the appointments have had satisfactory results?—It seems to me to be quite satisfactory.

27,667. A comparison has been often made between the work done by the consuls who represent the German Empire for their own merchants and German interests, and the work which is done by our consuls; can you give any opinion upon that?—My own opinion is that our consuls assist British trade quite as much, if not more, than the consuls of other countries assist the trade of their country.

27,668. Can you say whether that is the opinion of the chambers of commerce generally in this country?—They have never said anything to me to the contrary.

27,669. Are your relations with the chambers of commerce such that you are in a position to say that in all probability you would have had remonstrances if they thought that the consular service abroad was not satisfactory?—Certainly.

27,670. You tell this Commission that if in any quarter complaints were made of the services rendered by our consuls abroad, especially in comparison with the services rendered by what is alleged to be the more active policy of the consuls of other countries, those complaints would have reached you from the chambers of commerce?—Certainly.

27,671. May I take it generally that it is the fact that you are in free communication with the various chambers of commerce upon commercial, and incidentally, consular questions?—Yes. I may say in further explanation that I have attended the association of chambers of commerce, and that I have further visited a great many chambers in their own localities.

27,672. (*Mr. Fowler.*) And you never heard any complaints against our consuls abroad, as contrasted with the consuls of Germany?—No.

27,673. (*Lord Lingen.*) Do you think the instructions to our consuls as to their duties are practically the same as those given to the German and other foreign consuls?—That I cannot say positively, because the instructions to consuls are always considered confidential documents; my own impression is, that in the case of the Belgian and French consuls, a greater latitude is allowed the consul to act, as it were, as agent for particular firms.

27,674. Suppose a complaint took this form: You Mr. A. B., a British consul, have not done so-and-so, whereas the French and the German consul did this service, which was a great benefit to the French and German trade, would the British consul, do you think, be at liberty to say: My instructions do not authorise me to take this step as distinguished from the instructions given to the French or German consul?—I think in that specific case he would report the matter home, and ask for instructions.

27,675. Short of his referring home, would he ever say, at any rate to the foreign secretary—I do not contemplate his writing a letter to a newspaper, or getting some private member to state anything in Parliament, but to the foreign secretary—do you think he would be able to say, the instructions to the French and German consuls authorised them to do this, my instructions did not authorise me; do you think our consuls are tied tighter up?—In one sense. First of all I would say that I do not think he would give the answer in those precise words, because he would not know what the instructions to those foreign consuls might be. I think he would say that he could not act as the agent for a particular firm.

27,676. But he would know what their acts were. Supposing that a British chamber of commerce said their acts were very useful, and his not performing the same acts was very injurious to trade, do you think he would, in any large number of cases, be able to say or be able to infer—"My instructions did not

Mr. C. M. Kennedy, C.B.

12 Dec. 1889.

"authorise me to do those things"?—No; I do not think he could do it in any large number of cases.

27,677. Do you think that the chambers of commerce which complained of him would not have to meet his objections—"My instructions prevented me from doing "this," and that they would have a right to complain of him personally?—No; British agents abroad are instructed to promote British trade generally, and on application to them do assist materially the travellers of commercial houses; but where a French, or a Belgian, or a German consul, might be allowed to act as the agent for a particular firm, this consul by so acting might be able to push the business of that particular firm.

27,678. I believe you have nothing to do with the consular service in China, Japan, and Siam?—No.

27,679. With reference to the appointments to that service, are they made upon similar principles as the appointments to the general consular service, or are they made upon principles similar to those for the consular offices in the Levant?—Upon somewhat similar principles to those for the Levant, I fancy.

27,680. But you have no special knowledge?—No.

27,681. Under what department are they?—They are in the American and Asiatic department.

27,682. (*Chairman.*) With reference to the prohibition of consuls from trading, do you consider that the present system of getting the services of men who are traders in good position as unpaid consuls is as satisfactory as a more expensive system would be, supposing that the money were forthcoming to provide for a larger body of paid consuls?—Expressing my personal opinion only, I do not think that a large paid consular service would be worth the expense.

27,683. You think that, as regards the second class referred to in the memorandum from the Foreign Office, namely, "Those who are engaged in trade," that the members of that class are gentlemen who efficiently serve the country, and that it would not pay to try to get a service which would contain more paid members, and more completely responsible to the Foreign Office?—Those gentlemen are sufficiently responsible, I think, for all public purposes.

27,684. Have you any view upon the question of further consolidating the functions of the diplomatic and consular officers?—My own opinion is that it would not be practicable to do so, the duties being, in fact, distinct.

27,685. Would you say that they are, in all cases, entirely distinct; in certain of the embassies, for instance; are they, in all cases, served by men with the commercial knowledge which consuls are supposed to have?—No, I would not say that, because their functions are really distinct. The diplomatic service is in communication with the Government of the country; the consular service, speaking broadly, is in communication with the local authorities and with the commercial community.

27,686. I am not sure whether you were asked any questions last time upon your relations with the Board of Trade. From a paper I have here, I see that the Foreign Office supply the Board of Trade with information upon trade questions. As you are the senior clerk of the commercial department, I should like to have that explained—how your department stands with regard to the Board of Trade in that respect?—When I was appointed to my department in 1872, there was a change in the functions of the two offices, made in consequence of the recommendation of the Board of Trade. Previously to that date the Board of Trade advised the Foreign Office on commercial questions, and, speaking broadly, the Foreign Office, in their instructions to representatives abroad, acted upon the advice given by the Board of Trade. The substance of the change made in 1872 was this: that the Foreign Office was to collect the information for itself, and to instruct directly the representatives abroad without previous consultation with the Board of Trade.

27,687. Generally, in regard to what you may call the current trade affairs of the country, I understand it is your business, in the commercial department of the Foreign Office, to collect all sorts of information through the consuls and through the diplomatic side of the establishment also, and that all that is communicated to the Board of Trade. Of course the consular reports are published, but, upon any question upon which the Board of Trade require information, they would apply to the Foreign Office, acting through its Commercial Department?—Yes.

27,688. Are there frequent communications between you and the Board of Trade. I rather want to know what are the commercial relations of the Board of Trade with the commercial department of the Foreign Office, quite in its elementary stage. I confess I do not understand what they are?—Constant and daily communications take place. For instance, on shipping questions, besides subjects more directly relating to commerce.

27,689. Upon mercantile shipping questions the consuls act almost directly as servants of the Board of Trade?—Yes, and they report to the Board of Trade on all subjects which come directly within the scope of the Board of Trade instructions, but outside those instructions they communicate directly with the Foreign Office.

27,690. I will ask you generally whether it appears to you that the present arrangements in that respect avoid circumlocution, as it is commonly called, and whether on the whole it is satisfactory to you as a practical man, and satisfactory to the chambers of commerce with whom, as you told us, you are continually in contact?—Perfectly satisfactory; chambers of commerce frequently state that their interests are well served by the arrangements made in 1872.

27,691. You do not suggest any improvement in the present relations between the commercial department of the Foreign Office and the Board of Trade?—No.

27,692-3. (*Mr. Fowler.*) Have you ever heard that the German consuls are in the habit of sending home to Berlin particulars of patterns of various manufactures supplied to the countries to which they are accredited by the United States and by England?—Yes.

27,694. Do our consuls ever send home anything of the same description?—Not precisely the same.

27,695. What do they send home?—They send home patterns of native manufactures which are in chief request in the countries in which they reside.

27,696. My question is not with reference to native manufactures. I am taking Germany as one country alone, and my question is with reference to the competition in the markets of the world of other manufacturing countries with our country as a great manufacturing country. Do our consuls furnish to the Foreign Office, information upon the patterns and specimens of the articles which our competitors are supplying in the foreign markets?—They supply information, but not patterns or specimens.

27,697. Are you aware that the chambers of commerce have called the attention of the Foreign Office to the mode in which the consular work of Germany, say, is done?—I do not remember at this moment any particular statement on that point from a chamber of commerce.

27,698. Do not you remember expressions of a feeling of strong dissatisfaction in the chambers of commerce, both at the associated chambers and in the various local chambers, as to the want of information which our manufacturers have, compared with the information which German manufacturers have?—I should hardly put it as strongly as that.

27,699. I am quite willing that you should water it down to the actual facts of the case. There has been, we will say, dissatisfaction, not great dissatisfaction, but there has been dissatisfaction?—I would rather say there have been remarks made, chiefly in reference to eastern Asia.

27,700. Very well, remarks. The remarks have not been of a laudatory character?—You would hardly expect them to be under the circumstances; but, as I have said before, I do not find record of any specific complaints.

27,701. Our manufactures have not remarked for the purpose of approval. Now that is the grievance: whether the grievance be stated by me too strongly or by you too mildly; but that is the grievance which you know exists. Whether it be well founded or ill founded, the grievance is that the manufacturers of other manufacturing countries have information supplied to them by their consular service which is not supplied to our manufacturers by our consular service?—I would really hardly put it in that way. To explain what I have heard—it has been said to me that the Belgian Government, more particularly by their commercial museum

at Brussels, have collected together a vast number of samples of goods which are sold in the markets of distant countries, goods partly made in those countries, partly sent from European centres of manufacture, and a wish has certainly been expressed that some step in that direction should be taken in this country; but then there is a difference of opinion whether this museum should be a central establishment in London, or whether it should be split up into several local museums in different manufacturing centres in this country.

27,702. I am quite aware of that; that is a difference of opinion as to detail; there is no difference of opinion as to whether there ought to be a museum, certainly?—No.

27,703. And we have not that museum now?—No.

27,704. Do not you think that the Belgian Government are doing a very desirable thing for the Belgian manufacturers in the establishment of that museum?—Yes.

27,705. Why do not our consuls send home to London what the Belgian consuls send home to Brussels?—It is a question of expense.

27,706. You do not tell us that the Belgian consular service is a more expensive thing than the British consular service, do you?—Not the Belgian service; but then the Belgian Government makes a grant for this particular purpose.

27,707. I know; of course the Belgian Government defrays the expense, but I am not dealing now with the museum in Brussels, I am dealing with the raw material upon which that museum is founded, and that is founded upon the information which is sent home by the Belgian consuls?—Not so much information as samples.

27,708. Exactly; I put that earlier to you in my examination—their samples?—Yes.

27,709. The Belgian consuls send home samples?—Yes.

27,710. The English consuls do not send home samples?—Not as a rule.

27,711. What is the reason why they do not?—Expense.

27,712. What is the expense of sending home a sample; supposing a consul, we will say at Smyrna, sees that a particular lock which is made in America is driving out of the market all the locks that are made in Wolverhampton and that neighbourhood, what is the expense of his sending over a specimen, and saying, this description of lock is what is selling here?—If I may say so, that is hardly a complete way of putting the question. First of all, you would have to establish the museum; the initial outlay would be about 20,000*l.*; the expense every year of supplying different specimens might not exceed 500*l.*—it might not be so much as that, taking the whole world over.

27,713. Then the expense is simply the initial expense of the museum?—There would be an initial expense.

27,714. It would not be 500*l.* additional annual cost if the museum was once established?—About that amount, I should say, for keeping the collection up to date, but the cost of maintenance—staff and buildings—has also to be considered.

27,715. Are you not aware that some chambers of commerce have offered to establish a museum at their own cost in their own localities, if the Foreign Office would only help them with the samples?—Whenever they ask for any samples, we use our best endeavours to obtain them, and we have sent very good samples, as you will remember, to Wolverhampton.

27,716. Is not the difficulty not so much in the question of expense, but is it not because of the different type and class and character of the consuls of Germany and Belgium and the other countries, as compared with the consuls of Great Britain?—I should say certainly not. If you would give me 25,000*l.* to spend, I will get you a commercial museum.

27,717–9. Then you say that the commercial qualification which the Belgian and German consuls possess, commands a higher salary than the social or political qualification which the British consuls possess?—No, I do not.

27,720. Are not the consuls appointed by Germany and Belgium taken from the commercial class and in the main commercial men?—I could not say whether they are more so than ours.

27,721. Do you think that the English consul, say in Africa or in Asia, is generally as well up in the commercial requirements of that locality as a German or Belgian consul would be?—Excuse me. We must draw a line. Supposing he is what the French call a *consul de carrière*, belonging to the consular career strictly speaking, if one man is in that position, and if the other man is a local trader, then I would say that the trader would know more about the commercial requirements of the locality than the non-professional men. But if you took two men of the same class, then I would say that the Englishman is quite as good as the German.

27,722. You mean take two men of the non-commercial class?—Yes.

27,723. That is what I do not want to do. There is no difference of opinion between us there. What I want to take is, Englishman non-commercial, German commercial; which makes the best consul in a commercial port?—I do not think you can say absolutely, that because a man is a trader he would be necessarily a better consul than a man who is not a trader, because you have to consider a great many questions. You have to consider, for instance, the tact of a man in dealing with the captains of vessels and with sailors. Now many of our consuls who get on best with the ship captains and sailors are non-trading men.

27,724. Supposing that those gentlemen who are so specially qualified had the advantage of some previous commercial training, do you think that would be any addition to their qualification?—Yes.

27,725. You do not think then that the appointment to a post of the character of a consul is best made by being given to men who have no previous training for that specific post?—No.

27,726. Would you favour the establishment then of a consular service to which young men were admitted, rising in it as they displayed ability and competency?—Not absolutely; there are many posts where special qualifications must be held in view in making the appointment of the consul.

27,727. (*Mr. Lawson.*) Do you believe that for the post of *consul de carrière*, as they say in France, a man with a commercial training is more often chosen by France or Germany than by England?—Possibly by Germany, but not by France.

27,728. Would you say that in France political considerations preponderate?—Yes.

27,729. But not in the case of Germany?—I do not think so.

27,730. Then a German regular consul is more likely to have a commercial training than ours?—Yes; because I think the system of education in Germany gives that knowledge generally better than the system of education in this country.

27,731. Do not you think that we might appoint more men who have a commercial training, with advantage to our trade?—I do not remember, at the present time, having heard any complaints on the ground that particular men have not had sufficient commercial training. Mercantile firms must transact their own business, the precise point where perhaps Germans have advantage over British houses is that they employ more commercial travellers, and select men who possess greater acquaintance with foreign languages and foreign requirements.

27,732. I believe that the instructions issued in 1882 and 1885 (which I have read through) to consuls are quite wide enough to cover the sending home of samples, if you drew attention to that particular point?—Yes.

27,733. It is simply a matter of definite order, is it not?—It is also a matter of expense.

27,734. That I understand. But supposing the money were provided for the museum, your orders are sufficiently wide at the present moment to cover the supply of samples, are not they?—Yes.

27,735. Has any definite proposal been made with regard to this commercial museum?—No.

27,736. Do you know whether it has been brought under the notice of the Secretary of State from time to time?—No. I do not think it has been brought forward lately.

27,737. I do not know whether you are acquainted with a paper written the other day by Mr. Law, who

Mr. C. M. Kennedy, C.B.

12 Dec. 1889.

is our commercial attaché at St. Petersburg, Constantinople, and Teheran; it was read before the London Chamber of Commerce?—I have not seen it.

27,738. He recommends the formation of a commercial intelligence department in connexion with the Imperial Institute, and one of the departments of which is to be a commercial museum. Do you believe it ought to be carried out in that way, rather than in connexion with the Foreign Office?—The information and the samples must be obtained through the Foreign Office, but whether the management had better be in the hands of a body selected from commercial men, or from the Imperial Institute, or from the more purely official element, is a matter of detail which at present I am not prepared to pronounce a definite opinion on.

27,739. At the present moment you are the commercial intelligence department of the country?—Yes.

27,740. Which is similar to the war intelligence department at the War Office?—Yes.

27,741. As a matter of fact, do you consider that your obligations extend beyond the United Kingdom; do you take notice of India and Colonial trade as well?—We do, where we are asked to do so by either the India or Colonial Office, consuls advert to colonial trade in their reports; but, as a rule, the reports are confined to the trade of the United Kingdom.

27,742. I ask that, because of course the Colonies and India would have no means of finding out except through you, because they have no representatives in other countries, what are the requirements of trade suitable to their trade products?—No; but we should be quite ready to obtain any information that they wanted.

27,743. Have any steps been taken to find out whether the Colonial Governments wish relations of this kind established and information sent regularly?—I think not; but a few years ago, when the Canadian Government asked for reports as to openings in different countries for an extension of the Canadian trade, special reports were obtained on the subject which were forwarded to Canada.

27,744. Yes, I understand a special report might and has been obtained, but I am referring to the regular consular reports on commercial matters which are sent to you once a year on the subject?—Yes.

27,745. Are they forwarded for the use of the Colonies?—The Colonial Office take 200 copies of the report, and I believe they are circulated.

27,746. Have you any means of knowing how?—No.

27,747. I believe Mr. Bryce issued an important memorandum to the different representatives of England abroad, while he was in office in 1886, respecting information on all sorts of matters?—Yes.

27,748. Have those matters which he enumerated become a regular part of the commercial reports of the consuls?—Yes, they report more or less on all subjects that he enumerated.

27,749. Do you know whether they extended only to the United Kingdom or whether they extended to the Colonies and India?—I think mainly to the United Kingdom; but Colonial and Indian trade subjects are treated incidentally, or when they arise in a prominent manner.

27,750. At the present moment, supposing there were an early opportunity for the Australian meat trade in the United States' market, would information of that be forwarded by consuls out there to you and then remitted to the Colonial Office?—Yes.

27,751. With regard to the table of fees, has the revision and the increase of fees caused any inconvenience to British trade abroad particularly with regard to shipping?—No complaint has reached me on the subject.

27,752. Of course you know the fees have been raised?—Yes.

27,753. They are levied on tonnage, are they not, now?—It is not exactly in my department.

27,754. Would it go to the Board of Trade?—No; it would go to Sir Percy Anderson in the consular department.

27,755. The Board of Trade no longer has these shipping fees?—No; they are received at the Foreign Office and remitted to the Treasury.

27,756. Are the consuls under your direction except as to the forwarding of consular reports upon trade?—No.

27,757. Not at all?—No.

27,758. When you communicate with them, do you do it through Sir Percy Anderson's department?—No.

27,759. Directly?—Directly.

27,760. They make two reports, do not they, in the year, one to you and one to him—regular reports—I am not speaking of special reports?—I do not think they make any report to the consular department.

27,761. Only to you?—Yes.

27,762. The consuls of Turkey have sometimes important political matters to attend to, and the same with the consuls in China, what happens then?—Those despatches go either to the political or to the consular department.

27,763. Would it not be a great advantage, if for the purpose of commercial information the China services were consolidated with the other part of the consular branch?—That I can hardly say, but I ventured to express an opinion as regards my own department when I was here last, that I thought that part of the present commercial business of the China political department could be worked in the commercial department.

27,764. With advantage to the English trade?—Yes.

27,765. Has that suggestion been made officially in the Foreign Office?—I suppose nothing would be done pending your report.

27,766. Do you think there is any sufficient reason for keeping the commercial part of their work on a footing distinct from the rest of the commercial work of consuls?—No.

27,767. (*Mr. Freeman-Mitford.*) With reference to the question which Mr. Fowler asked you just now, is it not the fact that foreign consuls, taken from the trading class, although they be *consuls de carrière*, have been largely accused of availing themselves of their consular position to trade as a sort of sleeping partners in firms of their countrymen, to the prejudice of other firms, even of their own nation?—I have heard statements to that effect.

27,768. Has any such complaint ever been made of our *consuls de carrière*?—Not that I am aware of.

27,769. (*Mr. Lawson.*) Have any formal complaints come to the Foreign Office, to your knowledge, as to the private trading of foreign consuls?—No, it would not come within our functions.

27,770. (*Mr. Harvey.*) Would it be part of your business to see any of the commercial reports made by the consular officers who are appointed for Turkey and the Levant under the system of open competition?—Certainly.

27,771. Do you see all the commercial reports?—Yes.

27,772. Have you formed any opinion as to the character of the reports presented by the men who have come by open competition, as to whether they are below the level, or on the same level, or above the level of the ordinary consular reports of the other men?—I should think very much of the same character.

27,773. You, of course, are well aware of the conditions of the appointment to the consular service?—Yes.

27,774. Have you formed any opinion in relation to the commercial work as to whether the system of open competition would or would not provide a better type of men for the service than the existing system?—I do not think it would.

27,775. So far as commercial reports are concerned, are you quite satisfied with the existing staff of consuls?—Yes.

27,776. Do you get reports from all consuls?—Very nearly; if I may explain what we do, it is this: at the end of the year we look through the register to see from what places there has been any failure in supplying reports. Supposing the post has been vacant, or we know of any sufficient reason, we let the matter stand over, but if there has been any negligence in the matter, the consul's attention is forthwith called to the omission.

27,777. Are all these reports published?—Yes.

27,778. In the Board of Trade Journal?—No, in the Foreign Office series of annual or miscellaneous reports.

27,779. All are published?—Yes.

27,780. And a selection only appears in the Board of Trade Journal?—The Board of Trade reprint certain portions if they think it advisable to do so.

27,781. Have you had occasion to decline to print reports at any time because you thought them not up to the level?—Very rarely.

27,782. How many such cases, in fact, had you last year?—I can only remember one at this moment. The report was not considered of a sufficiently valuable nature as it stood, and it was sent back to the writer, and his attention was called to certain omissions, and to certain statements which seemed open to doubt.

27,783. As a rule the whole of these reports are published?—Yes.

27,784. I suppose there are recommendations in the reports of these consuls which have a distinct bearing on the promotion of British commerce; would you consider it your business to take any action on them?—There might be, say, two classes of recommendations: one which requires the attention of the commercial community—in that case the attention of the trade concerned would be called to them; and secondly, if they were matters which required the attention of Government, the point raised would be referred to the Secretary of State.

27,785. Within the course of last year, have you made any recommendations to the Secretary of State based upon reports from consuls?—At this moment I do not remember having done so.

27,786. Now I come to a particular instance: taking up haphazard the Board of Trade Journal, one sees that Consul Crawford, at Portugal, in the course of a very elaborate report—and I should say a very useful report on British trade—suggested the wisdom of his being allowed to keep there a small exhibition of typical British goods, in order to show their characteristics. Would you consider it within your functions to support that view, or to take steps to see that that was carried out?—No, unless any person concerned had made a recommendation in support of it.

27,787. So that, unless you are moved by the public or by the chamber of commerce, you do not consider it your business to take any steps to give effect to any of the recommendations that your consuls may make in commercial matters?—I would hardly put it as strongly as that; but, in this particular instance, it was a matter involving expense.

27,788. As a matter of fact, have you ever made any recommendations based upon consular reports, that is to say, have you ever suggested to the Secretary of State that such-and-such a consul has reported that British commerce would be fostered and promoted by such-and-such a course, and that you suggest for consideration whether that could not be carried out?—At this moment I do not remember suggestions of my own of this nature, but despatches and reports from consuls making suggestions that British trade might be extended by firms sending out special agents have been circulated to chambers of commerce and traders.

27,789. (*Mr. Freeman-Mitford.*) Would not the despatches go to him?—Yes.

27,790. (*Mr. Harvey.*) I suppose the whole of the consular reports cannot be read by the Secretary of State. I presume that they come to your department, and that yours is the department of the Foreign Office which is supposed to receive and to peruse these reports?—Yes.

27,791. We can hardly expect the Secretary of State to read all the consular reports?—No; but every report is read by the Under Secretary of State in proof if not in MS.

27,792. (*Mr. Freeman-Mitford.*) It would be the pick of the despatches that you would submit for his consideration, and those he might be expected to look at?—Yes.

27,793. (*Mr. Harvey.*) Yes; but out of all the masses of recommendations that consuls might make, some of which you might, as the responsible head of the commercial department, think foolish, others trivial, some important—the point that I want to get at is that you do not consider it your business to submit, for the consideration of the Secretary of State, that a particular recommendation which might commend itself to your judgment should be adopted?—These despatches are considered in proof if not in MS. by the Under Secretary of State, and in submitting them to him I make such remarks as seem to be called for. If the Under Secretary considers that anything remarkable is found in them, he calls the attention of the Secretary of State to the paper.

27,794. (*Mr. Freeman-Mitford.*) Would not you put a minute of some sort to this effect upon the paper: "This despatch is important, and deserves your "Lordship's consideration"?—Certainly.

27,795. Without a formal report?—Yes. I might say, "This report contains important suggestions," or something to that effect.

27,796. In that sense, I suppose you must have submitted a great many recommendations to the Secretary of State in the course of your career?—Yes; and in this way I have called attention to the requirements of British trade in foreign countries.

27,797. (*Mr. Harvey.*) That is what I want to get at, whether, as a matter of fact, you have done so?—Yes.

27,798. I understood you to say just now that you had not?—I took you to mean such a recommendation as the opening of a room for an exhibition of samples in a consulate.

27,799. I take that as an instance, it may be one that you may not think worthy of following up; that, of course, would be left to your judgment. Take another recommendation of another consul, that facilities should be given for very much greater help to be given to British traders in the matter of the infringement of trade marks. If you saw that in a report would you consider it your business to make any recommendation to that effect to the Secretary of State?—That was considered when Mr. Bryce was in office, and it was decided then that this was not a matter in which the consul could properly take steps, but that it was a legal matter in which the persons aggrieved must take their own action.

27,800. Do you receive suggestions from the Board of Trade with reference to the commercial department and commercial matters?—Not often.

27,801. Of course, these reports are all sent on to the Board of Trade?—Yes.

27,802. Would you only expect to be moved by the Board of Trade in a commercial matter, or would you consider it your business to act yourself?—It is our business.

27,803–4. But you have had no complaints whatever from any merchants as to their not getting the assistance they want from English consuls?—No.

27,805. Suppose the intervention were rather of a diplomatic than of a consular kind, would you have anything to do with it?—Yes, anything of a commercial nature would come to me to be dealt with.

27,806. Would you, for instance, have reports presented to you from the commercial attachés to the missions?—Yes.

27,807. As a matter of fact, do you have them presented?—Yes.

27,808. Has it ever occurred to you that there might be a considerable development of that kind of report—that some of them are very valuable reports indeed?—Yes.

27,809. How many commercial attachés are there?—Two.

27,810. Only two?—Yes.

27,811. Which are those?—Mr. Crowe, whose headquarters are at Paris, and Mr. Law, whose headquarters are at St. Petersburgh.

27,812. Has it occurred to you, that if there was a commercial attaché in connection with all our embassies on the same scale as those that you have referred to, that commerce would be greatly assisted; or do you think that it is unimportant?—I doubt whether the benefit would be worth the expense.

27,813. (*Mr. Lawson.*) Do you prefer a suggestion that was made to us yesterday that, instead of that, there should be consuls general, real consuls general, appointed in the different capitals, who would be able to supervise and report generally upon the trade con-

Mr. C. M. Kennedy, C.B.

12 Dec. 1889.

ditions of the country?—I have, personally, considerable doubt whether the benefit derived would be commensurate with the expense. The present reports are good.

27,814. (*Mr. Harvey.*) Assuming that I, as a man of business, say that the publication, especially in the form of the Board of Trade Journal, of the consular reports has been attended with very considerable advantage to British trade, would you not think that anything tending to develop that would fairly come within the purview of your official business to recommend?—Commercial men, as far as I have heard their opinions, prefer the publication of commercial reports in the Foreign Office Series rather than in the Board of Trade Journal.

27,815. (*Lord Lingen.*) Are you consulted when consular appointments are made?—Not as a rule.

27,816. Generally?—No.

27,817. The candidates' names are kept on a list in the Secretary of State's keeping, I presume?—Yes.

27,818. From what you see of the appointments, have the bulk of the men who are appointed had previous commercial experience?—I should say not.

27,819. (*Mr. Harvey.*) Do these reports come from consuls who adopt the service as a profession, or from those engaged in trade equally?—The rule is the same for all consuls.

27,820. (*Mr. Freeman-Mitford.*) Mr. Crawford, for instance, was a clerk in the Foreign Office, was he not?—Yes.

27,821. (*Mr. Harvey.*) But you have not observed, have you, that there is any superiority in the reports written by men who have undergone the examination? Take, for instance, Mr. Crawford's reports, they are exceptionally able reports, no doubt?—Yes.

27,822. Do you think that the method of examination, and that the method of entrance to the consular service, is one likely to give us the best type of commercial report?—I think that we might, for instance, add to the subjects of examination, commercial knowledge and geography.

27,823. You think you might?—Yes.

27,824. Are there any other qualifications that you miss now in the training of consuls, which you think would be advantageous from the commercial point of view?—Yes, I should like to make it a rule,—I do not mean that it should be made an absolute rule, there might be exceptional circumstances,—that every consul, before proceeding to his post, should serve for a month or two in the commercial department of the Foreign Office.

27,825. (*Mr. Freeman-Mitford.*) As well as in the consular department?—Yes.

27,826. (*Mr. Harvey.*) What would his service in your department show him?—It would enable him to become acquainted with many details of foreign tariffs, and it would show him, in a practical way, the interest which is taken by the Government and by this department of the Foreign Office in commercial questions and the mode of dealing with them.

27,827. As it is now, do you feel that there is anything like an adequate security that the men who are appointed consuls know anything of, or have any interest in, commerce?—Yes, I think we can say that is the case; they are men of general education, and they are fully aware of the great commercial interests of the country, and they naturally act accordingly.

27,828. (*Mr. Freeman-Mitford.*) Without being experts they are able to take a general and comprehensive view of the matter?—Yes.

27,829. (*Mr. Harvey.*) Still you think if they spent some time in your department they would become more alive to the importance of commercial considerations?—Yes, and I may say that some consuls who have served in my department have stated that they have derived great benefit from having done so.

27,830. I think, in answer to Lord Lingen, that you said you had nothing whatever to do with the appointment of a consul?—That is so.

27,831. If, for instance, you observed that the reports written by a particular consul were exceptionally able, and that his observations on trade were of great value, would it in any way be within the purview of your functions, in the case of a vacancy in some other more commercial centre, to recommend him for promotion?—No, it would not be within my province to recommend him for any definite promotion; but my course is, whenever a man in either the diplomatic or the consular service writes any particularly good report, to call the attention of the Parliamentary Under Secretary to it, and if he thinks it is of an especially valuable nature, he calls the attention of the Secretary of State to it.

27,832. Then do you think that that course on your part and the accumulation in an office of recommendations or mentions of that sort have actually been effective in getting a meritorious officer higher promotion?—Yes, in some cases it actually has done so.

27,833. Are you clear that there are individual cases to which if we go into names you could refer in support of that?—Yes.

27,834. (*Mr. Lawson.*) Do you think there might be advantages in appointing more consuls-general, supposing the money could be provided?—Yes, in the case of some countries I think it might be beneficial, at all events as a tentative measure.

27,835. (*Chairman.*) I think the advantage in having a consul-general as distinguished from a commercial attaché was rather insisted upon, because it was thought that a consul-general was a person able personally to interview directly and without the intervention of his embassy or his legation, a great many people in the country to which he is accredited, whom otherwise he would not have access to?—He would be more in touch with the commercial community.

27,836. Supposing the money for these consuls-general were forthcoming, and it were merely a question of convenience, from your observation of the commercial department in which you are interested, do you think that the commercial interests of this country would be furthered if there were a certain number of men available, one, for instance, to take Russia—say at Moscow?—Yes.

27,837. And an additional man in France, and an additional man in Germany, somewhat in the position of the consuls-general who, as you say, keep in touch with foreign merchants and with home merchants?—I am doubtful as regards these countries.

27,838. Do you think that they would really practically be worth the expenditure of the money of this country for the advantage of the trade of this country; that is the way in which it was really put to us?—In a limited number of instances; for instance in the case of Spain, Portugal, and Russia, and in South and Central America, I should say it would be to the advantage of the commercial community. Our two consuls in Mexico have already been instructed to make journeys of this nature.

27,839. Do you think that such a man should be rather a consul-general than a commercial attaché?—Yes.

27,840. In what particular localities do you think some good results might ensue from this course?—Spain and Portugal, Russia, and South and Central America.

27,841. (*Mr. Freeman-Mitford.*) Would you have one man for Spain and Portugal combined, or would you have two men?—One man.

27,842. (*Mr. Harvey.*) Have you any other recommendations for the promotion of knowledge of, or interest in, commerce, than that all the men should pass through your department; have you any other recommendations of that kind to make?—No actual recommendation.

27,843. (*Chairman.*) I was going to ask you shortly about the recommendations of the Committee of 1872 before which, I think, you were a witness?—Yes.

27,844. I do not know whether that was before or after you undertook a visit or tour of inspection; did you go more than once to Turkey and other parts?—It was after I went to Turkey, and before I visited consulates in France, Belgium, and the Netherlands.

27,845. Have you been on many such visits of inspection on behalf of the Foreign Office?—No, simply those two journeys.

27,846. Were you at any time acting in some capacity abroad?—I have been commissioner under commercial treaties and delegate in commercial negotiations.

27,847. Among the recommendations made by the Committee of 1872, I find this: "That though young

" men should be introduced into the service it should " not be exclusively thus manned." That I understand to be your opinion?—Yes.

27,848. What do you think can be done, or what do you think ought to be done, for the introduction of young men into the service, or what has been done at the present moment with special reference to the consulships in the Levant, and so on?—I must not be supposed to be expressing the opinion of the Foreign Office in the matter, but the opinion which I ventured to express in 1872, and which I still hold, is that there are certain posts where it is desirable to have a salaried officer. Public interests do not require a large salary sufficient for the permanent maintenance of a man. In those cases I would like to see a man put in there with a salary sufficient for the post, but not of an amount which would be sufficient, if he had to stay there all his life.

27,849. A commencing salary?—With a commencing salary.

27,850. When you speak of places of that character, do you mean places that are now already paid places?—Yes.

27,851. Do you think that out of that list of paid places—perhaps it would be invidious to ask you to specify one or two, but if you can I should be glad—there might be some which might be paid on a lower scale, and to which young men on first entering the service might be appointed with a prospect of going on afterwards. Is that your opinion, speaking for yourself personally, and with all reservation?—Yes, with all reservation I think that some posts of that nature might be found.

27,852. The general practice of the consular service appears to be, so far as the evidence before this Commission goes, that the man once appointed to a place may stay there for life if he chooses, and that it is not intended that he should go on to promotion. If there was this introduction of young men to a limited extent at lower salaries, and with the intention to promote them, would your idea be that they should be open competition men?—No, I should have them appointed in the same way as at present.

27,853. Then you are not in favour of the introduction of even limited competition into the appointments for the consular service?—Supposing the Secretary of State thought fit to nominate three or five men to compete for a particular vice-consulship, I personally should see no objection to it, but I think it is entirely a matter for the discretion of the Secretary of State.

27,854. I am asking you from your own knowledge of the kind of men who have been appointed, and in view of the suggestion which you are now tentatively making of the appointments of young men, in what way do you think they had better be appointed. You must be aware that the current of public opinion rather lies, though perhaps not so strongly as it did in favour of open competition, and if such a course be suggested, is it your opinion that it would help the commercial interests of the country?—I would certainly not throw posts open to competition, but I see no objection to a limited competition.

27,855. (*Mr. Freeman-Mitford*). Are you satisfied with the class of men who have been appointed under the present régime?—Perfectly.

27,856. (*Mr. Lawson.*) And you have no fear of the dangers of absolute patronage?—No.

27,857. (*Chairman.*) The Committee of 1872 also recommended "That the increased cost of raising " salaries of some of the consuls who are underpaid " might be more than met by, among other things, " the employment of young men as subordinate " officers"; possibly that is the suggestion to which you were just now alluding?—Yes.

27,858. Can you say generally whether the recommendations of that Committee for the reduction of redundant posts, and the employment of young men as subordinate officers have been carried out?—I can say that the recommendations of the Committee have been carried out as regards redundant posts, but I cannot answer that as regards the employment of younger men.

27,859. (*Mr. Lawson.*) You cannot answer, do you say?—Yes.

27,860. You do not tell us that it has not been carried out?—No, but that I cannot say, the subject is not in my department.

27,861. (*Chairman.*) I understand it to be the view of yourself, that whether it be by limited competition, or whether it be under the present system of the complete responsibility of the Secretary of State, it might be desirable, in regard to some of the present paid posts of consulates, to introduce some younger men on a lower scale of salary, who might quite efficiently discharge the duties of those places, to whom it would be a stepping stone to future preferment, is not that so?—Yes, it must be very clearly understood that it is to be a stepping stone.

27,862. If some of those posts could be adequately filled up by young men, who would be first introduced into the service younger, presumably, than those who usually come in now, is not it rather an inference that at present there has been rather more expenditure upon some of those posts than is necessary?—I should rather put it in this way: that if the service was more of a recognised career, then there are certain posts where some small reductions of salary might be made, but nothing very sensible.

27,863. But, at all events, you would be in favour of the introduction of some such system if it were possible, and you think that on a modified scale it might be possible to offer something more of a career to young men to enter the consular service?—That is, within certain limits, my personal opinion, but I should like to explain what I mean: some consulates have political and judicial duties; some are purely commercial; and posts which are purely commercial might be looked upon to form a service in which younger men might rise in a career to higher posts.

27,864. (*Mr. Freeman-Mitford.*) Is there not this danger about establishing such a career as you propose, that at the present moment, as a rule, consuls are appointed to a post, and they remain there for a considerable number of years, and acquire a very great local knowledge, and become specially valuable in that post on that account, whereas if you were shifting them about as you do in the diplomatic service and in some other careers, you would lose the benefit of that very large and extended local knowledge which is so valuable to our sailors and traders and others who frequent those ports?—That is the case.

27,865. Is that not a danger?—Yes, there are advantages and disadvantages in each system.

27,866. It has been held, has it not, to be a very decided advantage that men should not be shifted, but that they should remain, say, for a great number of years in one post?—Yes, that has been held.

27,867. (*Mr. Lawson.*) I should now like to ask you whether in some cases the fact that these consuls hold their posts for life without opportunity of promotion exercises a somewhat depressing influence on their work?—I think in some cases it has that tendency.

27,868. If there was some scale of posts, would there be any chance of advancement and an inducement to the better men to do the very best work?—I do not quite follow you.

27,869 If in a country you were in the habit of promoting from one town to another, I do not say frequently, but when a vacancy occurred, would that induce a man to strive to the utmost in order to get this promotion?—Yes.

27,870. Do you think you might do that under the present system?—No, the present system does not hold out that inducement, because a man is appointed to his post with the contingency of remaining there.

27,871. (*Mr. Freeman-Mitford.*) Would not that be met by an increment of salary better than by a change of post?—The drawbacks which I see would be met by that alternative, or as I would put it, by granting a personal allowance in such cases.

27,872. (*Mr. Harvey.*) Have you ever compared our consular service with the French?—Not lately, because questions connected with the consular service as a service have been for the last 16 years quite out of my department.

27,873. You know, I think, that the French service is a very much more highly graded service than ours?—Yes.

27,874. And your mind evidently runs in favour of some modification of the existing system?—Yes.

27,875. Do you think it would be possible to grade all the consulates so as to get a ladder (to use the ex-

Mr. C. M. Kennedy, C.B.

12 Dec. 1889.

pression of Sir Percy Anderson yesterday) from the earlier appointments up to the higher ones, so that it should be a career in the French sense?—I would hardly put it in that way. I think posts might be classified and grouped in certain divisions.

27,876. (*Mr. Lawson.*) And that there would be a graduated scale in that group?—You could make promotion from one group into another, or after a certain number of years, a man who had served well, but who had not got his promotion, so to say, to another grade, could have a personal allowance of 100*l.* or 150*l.* a year to give him a reward for his services.

27,877. (*Mr. Freeman-Mitford.*) You would in that way preserve the value gained by local experience?—Yes.

27,878. (*Mr. Lawson.*) For instance; I take a country like France; of course there are a number of paid posts there?—Yes.

27,879. But there does not seem to be any principle in the distribution of pay; it is more or less haphazard in some cases, apparently?—That is rather out of my department.

27,880. Still you could see that there would be some advantage taking France as a group in itself, or as one of a group in having some sort of graduated scale?—It would make it more symmetrical, certainly.

27,881. (*Mr. Freeman-Mitford.*) Do you think that some such system as having first-class, second-class, and third-class consuls would be valuable in the sense that you have indicated?—Yes.

27,882. (*Mr. Lawson.*) I take the United States. I see there the consul at Chicago has 900*l.*, and the consul at Charlestown 900*l.* Do you suppose that the climate is the determining condition there?—I fancy so.

27,883. (*Chairman.*) May I take it generally, as a result of the last question that has been put to you, that you think that on the whole it might be desirable at all events to consider whether it is not possible to introduce some classification of consuls such, as I understand, exists in the China and Japan service?—Yes.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

EIGHTY-FIRST DAY.

7, Whitehall Place, Westminster, S.W., Friday, December 13th, 1889.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

Lord LINGEN.	Mr. J. CLEGHORN.
Rt. Hon. H. H. FOWLER, M.P.	Mr. A. S. HARVEY.
Mr. A. B. FREEMAN-MITFORD, C.B.	Mr. H. W. LAWSON, M.P.

Mr. H. WALPOLE, C.B., *Secretary.*

Mr. JAMES BRYCE, M.P., called and examined.

Mr J. Bryce, M.P.

13 Dec. 1889.

27,884. (*Chairman.*) You were, as we know, the Parliamentary Under Secretary at the Foreign Office?—Yes.

27,885. I think we will get on the notes first, please, the period that you held that position?—From the beginning of February 1886 to the end of July in that year.

27,886. We are anxious to have your views, first on the constitution of the Foreign Office, so far as you saw its work, and then to hear any suggestions you may have to make for its improvement; and likewise with reference to the diplomatic and consular services any points which, during your work at the Foreign Office, struck you as fairly open to criticism. I think I had better ask you to take generally any points on which you have any suggestions to make to the Commission?—Would you rather that I began by stating points myself or that I should say, after you have asked me questions upon the points that occur to you, whether there are any things that I should like to add?

27,887. I think the wish of the Commission would be for you to be good enough to take any particular points that impressed you as open to criticism and improvement during the time that you were at the Foreign Office?—I think the distinction between supplementary and diplomatic clerks in the Foreign Office need not be maintained. I could never see that any sufficient gain accrued from maintaining that division.

27,888. (*Lord Lingen.*) Do you understand by supplementary the men who are in the librarian's department?—Yes, and in the treaty department. I think there is one also in the commercial department.

27,889. (*Chairman.*) Do I understand you to think that they should be assimilated to the diplomatic establishment—the general establishment?—I think so. In order to do that, certain other changes might probably be necessary, and then I should be disposed to think that the system of lower division clerks might be more extensively used, and that a good deal of the work in the librarian's department now done by supplementary clerks might be done by lower division clerks.

27,890. (*Mr. Fowler.*) There are 36 clerks on the establishment, and there are 16 supplementary clerks. Now do you propose that those 16 should be put on to the establishment, and so making together, 52 of this higher class of Foreign Office clerks, or do you mean that the 16 should be practically higher division clerks?—I am not prepared to commit myself as to the numbers that would be requisite to do the work of the office. What I mean to say is rather this: I do not think that any sufficient advantage is gained by having the distinction between the diplomatic establishment clerks and the supplementary clerks; and I think it would be better to have one system for all upper division clerks, and one kind of promotion. But then I should propose to reduce the total number of establishment clerks by giving a good deal of the work which is now done by them to lower division clerks, and I do not think that in that way any greater expense would be incurred; possibly even a saving might be effected.

27,891. (*Chairman.*) Have you anything to say upon the mode in which the clerks on the diplomatic establishment are at present appointed?—Perhaps you will allow me to say, once for all, that I desire in all that I say to be taken to speak with the modesty and diffidence

that becomes a person with only six months experience. I am only giving you my first impressions. Of course first impressions are sometimes as good as later impressions, but still I do not want to be taken as speaking very positively about the matter, because my experience was very short. Replying now to your question, I do not feel that there would be any great gain in introducing the same system of absolutely open competition which exists in the other offices. It seems to me that we now get very good men —men of very considerable natural ability—and, generally speaking, of a high education; and that nearly everybody who desires a nomination would be likely, by some means or other, to obtain a chance of competing. There is something in the argument that both for the diplomatic service and for the Foreign Office, it is desirable to retain a rather freer hand and rather ampler opportunities of ascertaining what a man's private character and connections are than might be necessary in the case of many of the other public offices.

27,892. Would that view of yours be still further strengthened by the desirability of bringing the diplomatic and the clerical establishments, so to speak, of the Foreign Office more together and making them interchangeable?—If you mean the political departments and the other departments, yes, I think so. I think I may say (though, perhaps, that is a matter to refer to afterwards), that I should think it would be an advantage if we fused the diplomatic service with the Foreign Office, as is done in some foreign countries.

27,893. Do not you see that possibly one difficulty in the way of that is the question of expense, and that there are many young men who are ready to take a career in the Foreign Office, but who have not got the requisite means to go, under the present arrangements, into the diplomatic service?—I do; but I think we make a mistake in that rule in the diplomatic service about private means. I can conceive that the country would be better served if we paid a better salary to our young diplomatists at starting; that we should really get a more valuable stamp of man, and that they would be more useful to the country than those we get now.

27,894. You mean if you did away with the rule that attachés are supposed to have a certain amount of private means upon entering the diplomatic service?—Yes; there would be no doubt some pecuniary loss to the country, but that would be more than repaid to the country in other ways.

27,895. I understand you to be of opinion that it would be better to thoroughly unite the services?—I think so. Perhaps I ought to say, as regards competition, that I should like to feel that it was, even more distinctly than at present, the understanding if not the written rule, that any person occupying a recognised public position should be entitled to apply to the Secretary of State for a nomination for a young man for whose character he was prepared to vouch. For instance, you might say that the head of one of the Scotch universities, or one of the colleges at Oxford or Cambridge, should be entitled to write to the Secretary of State——

27,896. (*Lord Lingen.*) And the head master of a public school?—Possibly the head master of a public school —should be entitled to write to the Secretary of State, even if he had no personal knowledge of the minister, and say, "I know of such and such a one to be a person "of conspicuous talent, who seems well fitted for this "career in the public service, and for whose character "I am prepared to vouch, will you give him a nomi-"nation"? It ought to be a matter of course that the Secretary of State, after making all the inquiries necessary to satisfy his own mind, should give a nomination in cases of that nature.

27,897. (*Mr. Freeman-Mitford.*) Would not that be the case now?—I daresay it might be; that would depend on the practice of the particular Secretary of State. I am not sure that the heads of such institutions as I am contemplating are aware that the Secretary of State would be prepared to give effect to their recommendations.

27,898. (*Chairman.*) That would not necessarily imply, would it, that when there was a vacany any of these names would be selected from the list for competition, as that is where the selection comes in at the present time, as I understand?—No doubt, and I think in that regard that the practice ought to be a little altered, and that it ought to be understood that the Secretary of State would give every man on his list, of whose character and abilities he had sufficient evidence, an equally fair chance of competing for nomination.

27,899. (*Lord Lingen.*) Do you happen to know, as a matter of fact, whether the Secretary of State insists on a man calling on him before he puts his name on the list?—I think not. Once or twice when I have written to Secretaries of State on the matter I have had no reason to suppose that they did require the men to call upon them. Sometimes the Secretary of State has asked me about the men.

27,900. (*Chairman.*) Would you think that the whole of the men upon his list should have the right to go up for that vacancy?—I am not prepared to say that, because he might think that it was right to give a chance to those who had been down for a longer time. I have not specially considered that point, and it may be that it would be a very long list, and that some of the men had been down for a couple of years, and were, of course, getting older: and, therefore, the men who had been put down first ought to have the first chance.

27,901. (*Lord Lingen.*) It would be necessary, would it not, if you make it a system of limited competition, for which I think there is an immense deal to be said in appointments of this character, that nobody should be able to claim, as a matter of absolute right, to have put on the list either himself or his protegé?—That is precisely what I meant to convey, that there ought to be so much discretion left to the Secretary of State that nobody would have a right to complain if he is not put on; only that there ought to be an understanding that the Secretary of State acted as a mere trustee in the matter, and not in any way as a dispenser of patronage guided by personal or political considerations.

27,902. I should like, before we pass from that subject, if I might, to ask you a question about competition. The competition for the Foreign Office is not so multifarious a one, and, therefore, as many believe, not so high a one in regard to the subjects of it as the competition for the Civil Service generally; but the great anxiety to get into the service makes it practically a very severe test. The same competition, as far as subjects go, is applied both to the political clerks and to those clerks whom you have called supplementary clerks; and the one man gets in by this competition to a career that may take him up to be Under Secretary of State, when he will get 2,000*l.* a year, and another man by the very same examination enters a career in which he will not get beyond 600*l.* or 700*l.* Does that, as far as your experience goes, make a difference between the capabilities of the two sets of clerks in the librarian's and in the political departments?—I think my experience is rather too short to enable me to give a good opinion. I should have said that the impression I gathered while in the Foreign Office was that the supplementary clerks were, speaking generally, and subject, of course, to many exceptions, not men of quite so much capacity or education as the men in the political and commercial departments

27,903. (*Chairman.*) Perhaps you would be good enough to take another point on which you have something to say?—I should like to add to what I said about the larger employment of lower division clerks that I believe the quantity of really confidential work in the Foreign Office is by no means so large as is sometimes supposed. It struck me while there that the number of cases in which there were real secrets which it was very desirable to keep close, and for which anybody would have been prepared to give a large price, was not very great.

27,904. (*Mr. Freeman-Mitford.*) But does it not vary very much in different times?—No doubt it does vary.

27,905. Sometimes it may be said to vary enormously, may it not?—Yes, it does; but I think in the ordinary course of affairs it does not vary very much, and even at the times you refer to I should doubt whether it could not be done by a much smaller number of clerks than those who are now employed in the political departments.

27,906. (*Lord Lingen.*) Quite apart from the question of standing, is not there this: that a lower division clerk in his circle does not find people quite so well informed and quite so curious, with not quite so great a temptation to talk of matters of general and public

Mr. J. Bryce, M.P.

13 Dec. 1889.

interest as a gentleman more highly placed?—No doubt that would be so. At the same time I was rather intending to include the case of some person being prepared to give a sum of money for a secret, or trying to establish permanent relations with someone in the office through whom he could get out any secrets. There seems good reason to think that there would be found some lower division clerks who, if a career were offered them in the office, would inspire as much confidence in their honour and probity as the men in the political departments do. It does not follow that because a man has risen from a lower social station he cannot be entrusted with secrets.

27,907. (*Chairman.*) That is with reference to the clerks. Is there any other point connected with the clerical establishment that struck you as worthy of notice?—It deserves to be considered whether there ought not to be a general copying department, and whether you ought not to make a much larger use of type-writers and shorthand than is done in the office. When I was there I proposed to introduce the type-writer, and the suggestion seemed to be thought very surprising and novel. I rather think one has been introduced since.

27,908. There is one now?—I am sure there ought to be more than one. I believe in similar establishments outside they are employed. I should say that all large commercial establishments, both here, and even more so in the United States, make a much larger use of the type-writer than we seem to do in the Foreign Office.

27,909. (*Mr. Lawson.*) You are aware that in the United States type-writers are used in all the offices to a very much larger extent than we see here?—I believe so. I ought, perhaps, to say in connexion with the same subject, that there is another reason of very great moment for relieving the establishment clerks, the upper division clerks, from the mechanical and copying work which they do largely now. It is work which is very dull and tiresome, and its protracted monotony acts injuriously on them, because for a good long while they get nothing else to do, nothing which calls out their intellectual force. These men are often men of very considerable abilities, and of high education; they come in, probably, with that sort of zeal with which a clever youth begins his work. They are set down to do the dullest and most mechanical work for four or five years of their life. It is true that the matters may be of great interest, but the process of copying is extremely tedious and irksome. I think very often they lose all interest in their work which they would keep up if they had got more interesting work to begin with. You cannot imagine a more unfavourable influence to bring to bear upon a young man than to set him in the first years of his zeal and interest to do dull and tiresome work.

27,910. (*Lord Lingen.*) In other offices those men would simply prepare, for an approval by their seniors and superiors in rank, drafts, but the copying, when the draft is once settled, would be sent over to the copying-room and done by the copyist and lower division clerks. That system hardly exists at all in the Foreign Office, does it?—To a very small extent, and I think, as regards the political departments, it does not exist at all, because all the work of the political departments is practically deemed confidential, although a good deal of it is not really confidential.

27,911. (*Chairman.*) Has your attention been at all called to the organisation and arrangements of the librarian's department of the Foreign Office?—To some extent. I used to have occasion frequently to get memoranda from the librarian's department, and I certainly was very much struck by the extraordinary knowledge and readiness which Sir Edward Hertslet displayed, and the very valuable services that the librarian's department rendered.

27,912. (*Lord Lingen.*) In connexion with that, supposing that all the young gentlemen in the political department were obliged to pass through the librarian's department for a year or two, would not they gain a very much more intimate knowledge of the traditions and general history of the work on which they are employed than they have now an opportunity of getting?—Certainly I think they would. At the same time there is a great deal of merely mechanical work in the librarian's department, and it would be a waste to set these men to the mechanical work of indexing. I should have that done by lower division clerks, they should only supervise.

27,913. (*Chairman.*) Have you considered the librarian's department from the registering and record point of view?—Yes; it seems to me very valuable in that way, but I think there is a good deal to be said on the question whether you should register the papers that come in, in the first instance, in the several departments, or have a general register, and connect that general register with the librarian's department. At present, if I recollect rightly, the papers that come into the political departments and the commercial department are all registered there and then; after being kept something like two years they are sent over the librarian's department to be permanently placed away and indexed. I am not sure that it may not be perhaps as well to have them registered and indexed on one general system as soon as they come in, or even to have a double system—a departmental system and the other system at the same time.

27,914. So far as your work at the Foreign Office is concerned, did you find any inconvenience or any delay from the present system in getting the papers that you required?—I cannot say that I did. Certainly I found that papers and memoranda came very quickly from the librarian's department.

27,915. (*Mr. Freeman-Mitford.*) You never had any difficulty in getting a paper that you wanted?—Never.

27,916. (*Chairman.*) Will you now go on to your next point?—I have often heard questions raised about the desirability of having an intelligence department in the Foreign Office, and I certainly should like to say that there is not quite enough attention paid there to the keeping up of knowledge of current European politics. It did not seem to me that there was enough provision made in the arrangements of the office for knowing what, as a matter of fact, were the actual political phenomena, the party changes, and the characters of the men and their projects and relative positions to one another, that go on at this moment in the legislative assemblies and political life generally of different European states and countries.

27,917. (*Lord Lingen.*) Then, if you relieved those men from the mechanical labour of copying, they are just the people who might, for their several departments of the world, get that information up?—I should think so, especially if you did it to a considerable extent, by the young men who had gone abroad to fill diplomatic posts, and had come back afterwards to the work at the Foreign Office.

27,918. (*Chairman.*) Would that not be done in a very reasonable way by attaching one or more of these young men to the librarian's department and calling it an intelligence department, generally?—Certainly, it need not be a separate department. I did not at all mean to suggest that, but only that provision ought somehow to be made for the accumulating and keeping readily available of current political information.

27,919. (*Mr. Freeman-Mitford.*) The librarian's department would not be a training for them in that direction, would it?—No, but the librarian's department is a general historical and political record, and you might very well add on to it what I have called an intelligence department without creating a separate department with a separate staff.

27,920. (*Chairman.*) Sir Edward Hertslet told us yesterday that he felt very strongly the impropriety of the name of "librarians department," and practically, as I understood him, it was an historical intelligence department, so to speak?—That is quite true; it would be a much better name for it—"historical intelligence "department." I think that, as far as history goes, nobody could do it better than Sir Edward Hertslet; but all that I complain of is that the history does not begin soon enough, so to speak, and that I want to have contemporary history as well.

27,921. (*Lord Lingen.*) It does not go on late enough, you mean?—Yes, that is, perhaps, a better way of putting it. I meant that as soon as an event happens it ought to be treated as history, and recorded by the department.

27,922. (*Mr. Fowler.*) You want to give up ancient history?—I want to carry history down to yesterday.

27,923. (*Mr. Freeman-Mitford.*) Would that be met by your proposal that the two services should be amalgamated?—If you had made provision also for always having somebody in the Foreign Office whose business it was to ascertain what was going on in foreign countries and then make a record about it. At present the only way in which we get such information

is by the despatches which Foreign Ministers send home. The despatches are often very good, but they turn a little too much upon high European policy, that is to say, upon international relations, neglecting domestic affairs, and to some extent also upon purely personal matters relating to the several Courts. It did not seem to me that there was enough provision made for giving a history, so to speak, of the current parliamentary politics and of the movements of opinion in some of those countries. I was especially struck on that point as regards the United States, where everything turns upon your understanding of the current party politics. If we are negotiating a treaty with them it is absolutely essential to know the exact position of their current party politics, because the treaty will not be ratified except upon grounds which depend upon the American party politics at the time. I do not think there is anything in the nature of such a record at the Foreign Office. There might occasionally in the despatches of the Ambassador be an observation upon the subject, but there would be nothing really upon which the Secretary of State would be able to make up his mind as to how he should deal with a question which had its basis in the different forces which would be likely to determine the ratification of a treaty in the American Senate.

27,924. (*Chairman.*) Then would you suggest that our ministers should in their despatches pay attention to these points, and that there should be more attention paid to keeping a record of them at home in the Foreign Office?—Yes; I think a good deal might be done by having a greater interchange of men between the Foreign Office and the diplomatic posts, so that the secretary of the legation, or the attaché who came back having made a study of politics out there, would have a great deal of information with regard to the politics of the country in question.

27,925. (*Lord Lingen.*) I suppose the working of an intelligence department in the Foreign Office itself, might really strictly be the snipping of the newspapers and what you would want in the clerk is knowing what to snip? Would you say it was the duty of the third secretary, or the junior, or the secretary (if there was only one in the foreign mission), to furnish this information, we will say in the quarterly reports to the Foreign Office; or would you make it work at the Foreign Office itself?—Yes; there ought to be somebody whose business it was to know all that was passing in that way, to take out of the despatches everything relating to the current politics of the country, and have them at his fingers ends, and, of course, to accumulate cuttings from the press would be one method of preserving information useful in the way contemplated.

27,926. There would be no way of getting at that information, except by cuttings from the press, unless you were personally on the spot, and acquainted with the people that were working the system?—Well, the person I am contemplating might often say to the under-secretary in the Foreign Office, "I do not "know enough about what is going on upon such and "such a political question which is likely to be "interesting to us in such and such a country, will "you write to the embassy and ask them to give us "a report upon this point?" It would be his business to make such suggestions. Then a report would come back upon that particular point which would be kept in the intelligence department for reference. At present the ordinary work which the office has to do, is really so very heavy, that neither the under-secretary nor the Secretary of State, nor perhaps even the assistant under-secretaries have time enough to think about current politics and movements of opinion, and social or economic changes influencing politics which go on in foreign countries.

27,927. There is one question I should like to connect with that. Is not the attempt to carry three-fourths of the work too high up instead of settling it finally by people who are low down, overwhelming the responsible people at the top. Would your experience during the time you were at the Foreign Office lead you to say that a great deal of the work came to the Under Secretary, and even to the Secretary of State, more than was necessary?—I should like to have had rather a longer experience before expressing a positive opinion. Probably too much does come before these highest officials, though it must be remembered that sometimes questions which may not seem very important in themselves become important as precedents.

27,928. Eliminating those questions, is there not a vast quantity of questions that the messenger almost, if he was an attentive person, might deal with?—I think there are a great many legal or semi-legal questions which need not go to the Under Secretary or to the Secretary of State. Such matters have now been partly provided for by the establishment of a legal adviser, who constitutes a sort of legal department. Small legal questions used to be a considerable addition to the diplomatic work which used to be done by Sir Julian Pauncefote.

Mr. J. Bryce, M.P.

13 Dec. 1889.

27,929. But you did not feel yourself that questions came to you that ought to have been decided by somebody of less rank and public responsibility than yourself?—There were, no doubt, a certain number of such questions coming to me which need not have come. They did not take much time, because they always came up with the minute from the department which had dealt with them, and one could, generally speaking, run through them pretty quickly, and unless one saw any strong reason to dissent, one adopted the conclusions at which the department had arrived.

27,930. Do you think the majority of those papers might not just as well have gone from the first-class clerk or the assistant secretary, who put that minute upon them there and then to the copying-room instead of coming to you?—I think a good many might certainly, but I should make the remark still more with reference to the work of the Secretary of State. I mean that I think the Secretary of State is far more overloaded with work than the Parliamentary Under Secretary.

27,931. How does that come about?—The old traditions of the office require an enormous number of things to be settled by him, and he has to spend a great deal of precious time in receiving the visits of foreign envoys.

27,931*a*. (*Chairman.*) I do not want to lead you too much. Will you please take another point?—There is one point, of not very great importance, but of some importance, which has often been raised, and that is as regards the hours of the Foreign Office and the amount of work that the men do. I should like to say that I formed a very high impression of the public spirit of the men in the Foreign Office, and that I am not at all prepared to say that there would be any gain in holding them more closely to particular hours. I think that there is a remarkably good *esprit de corps* in the office, an idea that the men are bound to do their best for the office and its work, and, therefore, to lay down a hard and fast line that everybody must be there as the clock was striking 11 or 12 would not, I think, really improve the efficiency of the office.

27,932. (*Mr. Freeman-Mitford.*) And would destroy the *esprit de corps?*—The *esprit de corps* might be affected. Then again a great deal of the work can only be done in the afternoon.

27,933. You do not object to the general rule that the hours expected of a man in the office should be seven, do you?—No, I do not. I should not say that was too much.

27,934. (*Lord Lingen.*) Why do you say a good deal of the work could only be done in the afternoon?—Partly on account of parliamentary work, partly on account of the Secretary of State. The Secretary of State is taken up during the hours from 2 to 4, or even to 5, very largely with receiving the ambassadors. He very often is not able to give the finishing touch to his despatch or to settle a point until the ambassadors have left him, and then the work has to come down into the departments, and the despatch has to be copied, and perhaps sent off by the evening post. It would be a little difficult to shift that to earlier in the day. Sometimes it is not till the afternoon that a question turns up which may suddenly be brought before the House of Commons as late as 6 or 7 o'clock the same day.

27,935. Yes that, but is not there a great deal of routine work which if it is to be disposed of without delay must be disposed of in the other and earlier part of the day?—No doubt, but there is so much liability of a pressure coming on in the afternoon that I do not think it would be quite safe to make a general rule that men should go away at 5 or 6 o'clock.

27,936. I am speaking of the hours at which they should come. The more the later hours were occupied and pressed upon the more need, I should have thought, there was of making the most of the hours before?—

Mr. J Bryce, M.P.

13 Dec. 1889.

So far as I could observe the regular work was disposed of pretty fairly between 12 o'clock and 4 or 5, and then the later hours were reserved for pressing work which came in suddenly, or for Secretary of State's work, which could not well be done earlier.

27,937. (*Chairman.*) Have you yourself experienced any inconvenience, or is it within your knowledge that there has been any inconvenience, from the fact that the letters are not opened sufficiently early in the morning?—I ought to have mentioned that all telegrams, which are now the most important things, are opened in the morning. They used to send up the box containing telegrams to one's house between 10 and 11 o'clock.

27,938. (*Lord Lingen.*) Have they still resident clerks in the Foreign Office?—They had in 1886, in my time. The Foreign Office is managed upon a somewhat different social line from what, I suppose, prevails in most of the other offices. The men, I think, make their arrangements more as friends, about the time when they should take their vacations, and they help one another in their work, and so on. I think, if you endeavoured to lay down hard and fast lines about all these matters you might lose as much as you would gain.

27,939. (*Chairman.*) What would you say, so far as you are able to form an opinion about the numbers of the staff of the Foreign Office. Has it occurred to you that the office is over manned?—It is not at all over-manned upon its present arrangements, that is to say, I think there is enough work, quite enough work, for all the men who are there.

27,940. (*Mr. Fowler.*) What do you mean by present arrangements?—The classification of the clerks, and the very limited employment of lower division clerks. I believe that if you employed lower division clerks more largely, you could reduce the number of establishment clerks.

27,941. (*Chairman.*) How would that reduce the number of the establishment. It might reduce the number of upper clerks and increase the number of the lowest, that I understand, but if every man's time is now wholly employed some one must continue to do the work?—I was speaking more with reference to expenditure than with reference to numbers. I think that you might require to have as many clerks in the office, but I am thinking of what it would cost the country.

27,942. (*Mr. Fowler.*) What I understand you to say, is that the upper branch, the diplomatic branch of the establishment is, perhaps, rather lavish, and that the under department is more meagre?—Yes, I think that is so, but I want to convey a distinct opinion that the establishment clerks are now fully employed. It is not by no means an idle office.

27,943. But they are doing work which a less highly trained man would be competent to do?—A great deal of it.

27,944. (*Lord Lingen.*) Might we say generally, just to put it in a few words, that by the employment of lower division clerks you look largely to what in other offices is called a copying room?—Yes.

27,945. (*Chairman.*) Upon the establishment itself of the Foreign Office does any other point occur to you?—Perhaps I might say that I think the position of Legal Adviser might with advantage be improved. He has got a great deal of work, I might say very heavy work, to do, and a great deal of it is rather responsible work. I think with reference to what Lord Lingen said it is chiefly as regards legal questions that decisions might be made without coming to the Secretary of State, or under secretaries. It is chiefly to legal questions that that remark seems applicable. Many of the questions might be finally settled, I think, by the Legal Adviser.

27,946. The position of legal adviser has recently been altered, has not it?—He was introduced in 1886. A committee met then, of which I think you were a member.

27,947. I was not a member, but I think you did me the honour to ask me to sit upon it?—The Committee sat in 1886, and I recollect that Mr. Fowler was a member. In consequence of its recommendation a legal adviser was appointed. I am not sure that the position of that branch might not be somewhat improved—that his salary might be raised—and that he might even be given an assistant, but before pronouncing a positive opinion, one would like to know how far the clerical work of the establishment has increased; it was increasing at that time.

27,948. (*Mr. Freeman-Mitford.*) Was not that practically the case when Sir Julian Pauncefote was first appointed to the office; was not he appointed as legal Assistant Under Secretary of State?—Yes.

27,949. Then when he became permanent Under Secretary of State, it was found to be unnecessary to have so large a legal department, was not that the case?—What happened then was, that Sir Julian Pauncefote continued to do the legal work.

27,950. Only to a certain extent?—To a very large extent he continued to do it. He was, of course, a very able and competent lawyer; indeed, I think he was the only lawyer in the office, and therefore a great deal of the legal work fell to him. He found it very laborious, and it was partly in order to relieve him from this and set him free for diplomatic work that the legal adviser was appointed in 1886.

27,951. Then he became freed from the legal work?—Except so far as it was necessary for him to give an opinion in the graver class of cases.

27,952. (*Lord Lingen.*) The legal adviser at present is not and does not act as an assistant under secretary of State; he does not sign letters?—No.

27,953. He is the adviser on letters that come to him from the various branches of the office?—I believe that is so, but these arrangements have been made since I left the office. I wish to make it clear that I think that what Lord Lingen said as to leaving subordinate authorities to deal finally with certain matters could be done more in the direction of legal work than in any other.

27,954. (*Mr. Fowler.*) You are aware that at the Colonial Office they have a legal assistant under secretary?—Yes.

27,955. May we say that you think there should be a permanent officer, say, a legal assistant under secretary at the Foreign Office?—Yes.

27,956. (*Mr. Freeman-Mitford.*) As there was before?—As there was before.

27,957. (*Lord Lingen.*) That is an exceedingly important point, and I should like to reserve to myself the utmost possible discretion upon it, but I am immediately in pursuit of another question, which is, that I think you used the expression that the case might finally be decided by the legal adviser. I apprehend that the practice of the Foreign Office, as everywhere else, would be that the minute would come back from the legal adviser to the corresponding officer who had sent it to him, and that then if that corresponding officer accepted the opinion of the legal adviser, that would be embodied in a letter, for which the corresponding officer would remain responsible to the Secretary of State?—I conceive that to be the practice of the office.

27,958. I only wanted the fact, I do not wish to go on with it now?—I think that is so.

27,959. (*Chairman.*) Perhaps we might leave the Foreign Office establishment itself now, unless you have any other point upon that?—Yes; a very small point. I think, if the Commission is anxious to have methods of saving suggested to it, that there might be a certain amount of saving in the Foreign Office printing. There is rather more printing than is necessary, particularly in what are called covering letters. The Foreign Office is in the habit of receiving a great many documents from abroad. It sends these to the different departments of the State, and sends with each of them a regular covering letter, which sometimes is printed and sometimes is lithographed, if I remember rightly, and one of the under-secretaries signs it. It would be sufficient for the purpose to have a mere slip attached to the paper to say it is sent with the compliments of the Foreign Office to such and such a department. In the whole year the number of those things is so great, that a sensible saving might be effected in this direction.

27,960. We might perhaps take as the next heading the diplomatic establishments abroad. What suggestion have you to make from your experience about those?—As I have said already, it would be a better plan on the whole to unite the Foreign Office at home with the diplomatic service, and have but one service and one competition.

27,961. Do you think that the ground of expense ought not to stand in the way?—I think not. I should

have said that the diplomatic service does not seem to me to be as strong intellectually as the Foreign Office is.

27,962. Do you mean that the men who enter the diplomatic service are not so strong intellectually?—Speaking generally, I do not think they are. I do not think our diplomatic service, taking it all in all, is so strong in the way either of intellect or of general knowledge and accomplishment as it ought to be, or as a country like this requires.

27,963. You have formed, as I understand, a higher opinion of the men who enter the political department or the commercial department at home in the Foreign Office; those are, in your opinion, as I understand you to say, the men who might very fairly come up to the standard which you think our diplomatic reprentatives ought to reach?—Certainly.

27,964. Is there any other point you wish to speak about?—I should like to add to that that I think the conditions for a young diplomatist abroad are even more unfavourable than they are for a Foreign Office clerk at home. A great deal of his work is the dullest possible work, it is copying papers that come into the embassy or legation, and it is the deciphering of telegrams which is very tedious, and, to a large extent, mechanical. Of course he learns the contents of the telegrams, but still the work itself is exceedingly tedious and laborious. The young man is abroad almost alone, with little to sustain his intellectual life or rouse him to effort, possibly with little cultivated society to mix in, and it is extremely difficult for him not to fall into comparatively idle and desultory habits. I believe if you gave him in the early part of his career more responsible work, or, at any rate, work more calculated to call out his powers, and relieved him of this mechanical work, you would very much improve the quality of the diplomatic service. I do not at all mean to disparage the natural ability of the men who go into the diplomatic service, but I think that they seriously suffer from the unfavourable conditions under which their first years of service are passed.

27,965. Perhaps you would be kind enough to continue your observations in your own way?—I have heard that in France they have got a regular staff in their embassies and legations of what are called chancellors, people who are permanently at the embassies or legations, and who keep the archives and do the registration work, and that in that department the copying and mechanical part of the work is done, and that there are persons corresponding, so to speak, to our lower division clerks who do the copying work in those French embassies, and so relieve the junior members of the regular service from it.

27,966. (*Lord Lingen.*) Would you say there would be no reason why a lower division clerk should not be detached from the Foreign Office with proper allowances and sent to Vienna, for instance?—I do not see why not.

27,967. And be in the chancery there?—And be in the chancery there. There are considerable advantages in keeping a permanent chancellor who carries on his knowledge of local circumstances from one time to another, although the ambassadors, and the secretaries, and the attachés may change.

27,968. (*Chairman.*) Have you any other point upon our services abroad to bring before us?—In connexion with that I may say, it is a comparatively small matter, but I think it is worth considering, that there is an establishment at Constantinople for training young men in Oriental languages. They begin their training in Oriental languages there. It was strongly represented to me while I was at the Foreign Office by one or two eminent Oriental scholars at the universities, particularly by the distinguished man who is now professor of Arabic at Cambridge, that it would be much better if the men got the first part of their training in Oriental languages at home. It is much easier to get good grammatical instruction in Arabic, or Turkish, or Persian in England than it is in Constantinople, and the men would be better fitted than at present to use their time abroad to advantage if they began those studies here before going out to Constantinople.

27,969. (*Chairman.*) Then would you suggest the doing away with the college?—I should not suggest doing away with it altogether, but I would suggest that the men should not go out there until they have made some progress in the study of the languages at home.

27,970. (*Lord Lingen.*) I suppose they pick up what may be called the colloquial and commercial part of the languages better on the spot, but for the grammar and all the foundation of matters that would be better learned at the universities?—Certainly, or even in London.

27,971. Or even in London?—Yes.

27,972. (*Chairman.*) It is open competition now, is not it, for that service?—I think so.

27,973. (*Mr. Freeman-Mitford.*) Would it not be rather a good thing to make them compete in those studies?—It would.

27,974. (*Chairman.*) That is just the point I was going to take up, you might advance the age a year or to such an age as you thought the men would be likely to acquire some knowledge of those languages in, and then have a good competition in that language?—That would be an improvement on the present system.

27,975. Something analogous to the Indian Civil Service?—I should think that would be better than the present plan.

27,976. Perhaps now you would take any other point that you have?—I am not sure whether changes might not be profitably made in the present classification of embassies and legations. There are some posts which at present are considered inferior because they are only legations, but which in reality are quite as important as some that are ranked as embassies. I say that specially in reference to Washington.

27,977. (*Lord Lingen.*) Does it make a difference in the pay?—It makes a difference in the pay, and also in the rank which a man holds in the service.

27,978. (*Mr. Freeman-Mitford.*) Is not Washington always looked upon as a very high post indeed?—It is, but the salary and the titular rank are not in proportion to the real importance of the post.

27,979. (*Chairman.*) Is not that a proposition which comes to this: that one or two legations, you have named one, a very important one, should be constituted into embassies. I do not understand you to say that there should be no such distinction as that between embassies and legations?—No. I suppose that is a thing one could not easily change, as against the general practice of civilised Powers who do recognise such distinctions.

27,980. (*Lord Lingen.*) It is chiefly a matter of Courts, I suppose?—Chiefly a matter of Courts.

27,981. (*Mr. Fowler.*) Do you think our interests at Washington are of more importance than our interests at Madrid?—Infinitely.

27,982. The one is an embassy and the other is a legation?—Yes; I do not think you can have too able a man at Washington; you ought really to send one of the three best men you possess to Washington, and pay proportionately.

27,983. (*Chairman.*) I think we must still ask you to be kind enough to go on with your points?—I think the only other point I have to mention, is with regard to the consular service.

27,984. I believe you paid special attention to that in the year 1886, when there were special instructions issued to the consuls?—With regard to their functions in the promotion of British trade, yes. We went into the subject carefully, and I wrote a memorandum upon it, and Lord Rosebery issued a despatch.

27,985. Perhaps you would state shortly, in your own words, what your general impression was of the consular system generally, and of the services which they rendered to British trade?—There are many able and capable men among the consuls, but it would be better if the consular service became a regular service, and if the Secretary of State was not entitled, as he is now, to appoint anybody whatever to it. I can understand that, as in the case of the higher diplomatic appointments, sometimes it may possibly be desirable to go outside the regular service, but one would like to restrict a little what may be called the absolutely free patronage of the Secretary of State, by requiring him, if he appointed anybody outside the consular service, to justify the appointment, to record in a minute the special reasons why he thought he ought to go outside the service. At present a person who has no experience of any kind, and who has no claim except private friendship, may be appointed by the Secretary of State to an important consulship

Mr. J. Bryce, M.P.
13 Dec. 1889.

27,986. (*Mr. Fowler.*) Or political influence?—Or political influence, no doubt, and the consequence is that the consuls are discouraged, and the service is not always what it might be.

27,987. (*Mr. Harvey.*) And without an examination?—I think there is a low qualifying examination.

27,988. (*Chairman.*) Have you considered at all how in practice such a service could be started; you would not, I suppose, go so far as to make it interchangeable or amalgamate it with the diplomatic service?—No, probably not; although every now and then, of course, appointments are made from the diplomatic service into the consular, and *vice versâ*.

27,989. (*Lord Lingen.*) Not very often *vice versâ*?—Much less frequently.

27,990. (*Chairman.*) As a general rule, you believe, I imagine, that the men who go out as consuls are not exactly the same men whom you would employ in the diplomatic service?—I should not say there was any very marked inferiority in point of ability.

27,991. I did not refer to inferiority. I was rather thinking of men who would have turned their attention to a different class of subjects?—No doubt the consul is naturally much more conversant, or ought to be much more conversant, with commercial questions.

27,992. Have you at all framed an idea of how it would be best to constitute such a consular service; would you appoint at the same age as young men now enter diplomacy, for instance, and if so, would you not have to provide a good many more paid posts?—I think I should be disposed to have somewhat different limits of age for the diplomatic service, and of course one would probably have a different kind of examination.

27,993. Do you mean you would rather appoint older men?—One might leave it open to older men certainly, and have a different kind of examination for entrance, if it was made competitive, as it probably would be.

27,994. Have you at all considered the salaries which are attached to the different posts, and whether those salaries are capable of modification, so that there should be more of a ladder, and an ascending scale, and more promotion in the consular service; because it has rather been represented to us that one of the difficulties in establishing such a new consular service was partly the difficulty that I have mentioned?—I should think that the scale of salaries was capable of revision with advantage, and, in fact, it must needs be revised from time to time, because the relative importance of consulates varies very much according to the amount of trade, and even to the opening of ocean communications. There are some consulates which were important 30 years ago, but which are now of little or no importance, and there are others growing every day.

27,995. We were further told that a consul becomes very much more valuable from a lengthy residence in the place, as he gains a greater experience of the trade?—No doubt he does, and that is one reason why, if possible, the scale of salaries ought to be considered, so that he may not have a motive for leaving a place, where, in point of fact, he has become important, to go to another place where, perhaps, the duties are a little lighter, and the salary rather higher.

27,995*a*. (*Lord Lingen.*) Would a system of this sort work: Suppose there was a regular scale beginning at a low salary and going up through classes progressively, we will say, to a high one; still you would have to classify the stations something in this way:—This station only requires a third-class consul; this wants a second; and this wants a first. It seems to me that unless you made the salaries quite independent of where the man was, you must have removal as part promotion?—Certainly; very often, naturally, you would have removal, but probably such a system of classes would answer, only you would require from time to time to revise your classification, and to move a particular consulate from one class into another according to the importance of the work.

27,996. Yes, not only the consulate, but the consul, would not you?—Certainly; but I should assume that in proportion to a man's ability and length of service he would be entitled to promotion.

27,997. But if you had a very able man at an obscure post, you would not pay the consul at that obscure post in reference to the consul's ability instead of the importance of the place, would you?—Certainly not; you would naturally endeavour to get promotion for him so as to place him where his powers might have a larger scope.

27,998. Just so; that is all I wanted to have clear; that in any reasonably economical system of consular promotion, change of post must be an element?—Certainly.

27,999. (*Chairman.*) That is one way in which you think our commercial interests would be better served abroad?—Yes, by improving the service altogether, and by making it more a service of merit and less a matter in which mere favour prevails.

28,000. The value of our consular reports has very much improved, has it not, since 1886?—I believe it has.

28,001. Has it come within your knowledge outside the Foreign Office and in connexion with Parliament that there have been many complaints from chambers of commerce with reference to the want of assistance given by our consuls to trade abroad as compared with that given by the consuls of other great Powers?—There were such complaints up to 1886. I cannot say much about what has happened since 1886. My impression was that the complaints ceased then, and that it was felt that the despatch which Lord Rosebery issued was practically satisfactory, and that the consuls were beginning to do more for our trade interests. Judging from what has passed in the House of Commons, I should say there have been far fewer complaints made there, far fewer questions put to the Government on the subject, than there were before 1886; so, I suppose, that the commercial community is better satisfied. Perhaps I ought to add that there was a recommendation made in 1886 that there should be appointed another commercial attaché, similar to Mr. Crowe. You know, I daresay, that Mr. Crowe is our commercial attaché in Paris, and sends us reports of the greatest possible value, relating to trade in France. I believe that another one has been appointed since, who resides chiefly in Russia, and goes sometimes to the countries in North-western Asia. Probably we ought to have a third, perhaps, a person whose business it should be to travel about and to report from time to time upon places where there are openings for trade, upon the commercial laws of different countries, and so on.

28,002. You mean a sort of roving commissioner?—Exactly, a roving commissioner.

28,003. The suggestion has been made to us that two such men might be desirable, and it is suggested that one might possibly be in Russia and another more in Western Europe, but the suggestion was made to us rather on the lines that somebody holding the position of consul-general would be better than a commercial attaché; do you attach any importance to that?—No. I do not care particularly which he is called, but I think he ought to have a sphere larger than any one particular country, and that it ought to be his function to travel about from country to country and make his observations generally, instead of remaining fixed at one place.

28,004. Do you think that the work that has been done by these gentlemen whom you have named—the two commercial attachés—has been such that further appointments of the same kind would be of great use to British trade?—I would not suggest more than one such further appointment at present, but I think there is work for one more.

28,005. (*Lord Lingen.*) Why do you want this travelling consul instead of your local consuls, supposing they had adequate commercial knowledge?—In the first place, the local consul in many places has so much daily hard work to do, particularly with regard to shipping, that he hardly has time for these things, and, in the next place, I think a man travelling about from place to place, seeing how trade goes on here and there, would learn a good deal more than a man fixed at one spot.

28,006. (*Chairman.*) You want to have a man, in fact, who is free from all routine duty, whose special business it is to go within certain limits of country to any points where there is a development of trade, and where there are opportunities for British industry?—Yes, and I should say not merely for matters of trade, but very often the Foreign Office might require from him a report upon some questions of commercial law or even upon a law relating to some industrial or social matter. A demand for information upon legislation in other countries, upon social and industrial questions has grown up

recently, and special reports of that kind could be better furnished by a man who travels about from place to place than by one of our consuls who cannot, without great inconvenience to the trading community, leave the place where he is permanently stationed.

28,007. Within your experience of the Foreign Office, were the relations of the commercial department of the Foreign Office with traders generally and with the Board of Trade also, in your opinion, such as they ought to be?—The time I had was too short to enable me to form a sufficient judgment, but certainly they used to come pretty frequently to the commercial department with their complaints and suggestions; we always tried to satisfy them, and I think we adopted the policy of encouraging them to come as much as possible. We thought it could do nothing but good to listen. At that time we arranged with the Board of Trade to start what is now called the Board of Trade Journal, in which reports appear which were sent by the Foreign Office to the Board of Trade for publication. Lord Rosebery instituted the system of publishing the reports that came from abroad much more quickly than had been the case previously. I think it is entirely in the interests of the commercial department and in the interests of British trade that there should be a very cordial and constant relation between the merchants and the chambers of commerce on the one hand, and the commercial department of the Foreign Office on the other.

28,008. (*Lord Lingen.*) At important commercial centres do you think that our consul has adequate assistance for purely routine duties, or that a greater amount of such assistance might be advantageously given to him?—I can only speak as to that in cases where in travelling I have called upon our consul and asked him about his work. It varies very much in different places, but in the large ports he may be too hardly pressed by routine duties, and might with advantage have some assistance.

28,009. (*Chairman.*) Does any other point occur to you with reference to the consuls?—There was a question which caused us a good deal of difficulty, as to the extent to which the British representatives abroad should be encouraged to promote actively the interests of British trade by recommending and helping merchants. I do not know whether that matter is before the Commission. We took the view that, speaking generally, a British representative abroad ought not to allow himself to become anything like a mere trading agent; that he would rather lower the dignity of the country, and his own position, if he did what the representatives of some foreign powers seem to have done in that way; but that when in countries like China and Japan he found the representatives of other powers were pressing the interests of their countrymen, he might legitimately apply similar pressure so long as he did not——

28,010. Directly identify himself with any particular firm?—Directly identify himself with the merchant, or give any ground for the notion that his post was sinking into a mere trading agency.

28,011. It has been suggested to us that there might be more opportunities taken of sending home samples or specimens of new manufactures in different countries, which appears to be the practice very much with foreign consuls, and also that we might have some museum at home for such samples?—It was, I think, suggested to the consuls in 1886, that they should do so; and my impression is, that some of them were then doing so, and that they have continued to do so more since that time. I can certainly see no objection on the ground which is stated for their doing that, because the practice would not in any way complicate them with a foreign State where they represented us, and it would be for the advantage of our merchants.

28,012. (*Mr. Harvey.*) When you were at the Foreign Office, did you look yourself at the consular reports, or had you not time to see them yourself?—I looked at a good many, but not at all of them.

28,013. Did you see those that were sent in from the consular officers in Turkey who were appointed under open competition, as well as those that came from the ordinary consular service?—I presume that I must have read a number of them. I generally endeavoured at any rate to glance over them.

28,014. Have you formed any opinion as to whether those that were sent in by a man who had been selected by open competition were better, or worse, or on a level with those that came in from other officers?—I cannot say at this distance of time that I formed any distinct opinion on that point.

Mr. J. Bryce, M.P.

13 Dec. 1889.

28,015. A wish has been expressed to make the consular service a service in the stricter sense of the term; and evidence has been given to us that, in the case of the arrangement made by Sir Philip Currie for the admission of men selected by open competition for interpretorial and consular work, these appointments of assistant vice-consuls have had to be made in order to set up the ladder which was necessary in connexion with the scheme of that examination, and it was not quite clear that it was absolutely necessary for these posts for the work itself, and the point before us was that any attempt to make the consular service more of a service might lead, therefore, to considerable increase of expenditure; have you any opinion to express upon that?—I think we might profitably, with a view to the constant growth of trade and the increasing stress of competition, spend a little more on the consular service than we spend now; and I think, if it was directed to the proper places, it would really be reproductive expenditure; but I was not contemplating, in suggesting these changes in the consular service, anything which would require a very great increase in the vote. It is not necessary.

28,016. Do you think that a very considerable modification of the present system of appointment would be attended with marked advantages?—Certainly. It ought to be added, you know, that in many parts of the world a consul, particularly in the East, has very important functions besides his commercial ones.

28,017. With regard to the evidence you gave as to the intelligence department of the Foreign Office, will you be good enough to tell me what is the record kept now in the Foreign Office of a presidential message from the President of the United States?—I am not aware that any record would be kept, except what happened to be included in a despatch from the minister at Washington. The minister at Washington would probably in one of his despatches call attention to points in the presidential message which seemed to him to have an interest for this country, but there would not be anything beyond that which would bring it formally under the notice of the Foreign Office.

28,018. Supposing, we will say, to take one very obvious instance, some point in connexion with the silver question came before the Foreign Office, and it were necessary to know what successive presidents had said about silver in their respective messages; what would be the course that you would take as under secretary; would you send to the library to see all the presidential messages?—I should not think, unless the librarian filed the newspapers, that there would necessarily be anything in the library upon the subject, except that there might, of course, be despatches from Washington, containing remarks upon particular Bills that have been introduced with regard to silver, or upon particular Acts that have been passed, or upon references to the matter in presidential messages; and it might be that it would be worth while to look through those despatches; but after all, you know, in matters of that kind the record in the public press is a much more complete record than what the library would have from despatches, and it is not a matter with regard to which secrecy would signify.

28,019. That is want I want to get at, whether the public press is not in itself a better record of these things than the intelligence department would be?—The difficulty about the public press is that there is too much of it; it requires selection. If it was the business of somebody in the librarian's department to pay attention to a current question like the silver question, which affects us, to make well selected cuttings from newspapers relating to it, or to keep copies, perhaps, of Bills which purported to deal with it, and to have at hand the Acts, such as the Bland Act, which touch upon the subject, there would be a reservoir of information upon the question which I do not suppose exists at this moment.

28,020. Would you think it advisable that all the political staff of the Foreign Office should pass through the commercial department as well as through the librarian's department?—Yes, I think there would be some advantage in it. I do not know that it would be a matter of very great importance.

28,021. As I understand your point with reference to the political establishment, it is that by taking off some of the less important work which is now

Mr. J. Bryce, M.P.

13 Dec. 1889.

discharged by the members of that establishment and giving it to lower division clerks there is enough better work to be done to fill up the time of the clerical establishment?—That is my view.

28,022. Have you formed any opinion as to what were the causes of the superiority of the Foreign Office men over the diplomatic men, which you observed?—The field of choice is larger, because a candidate for the diplomatic service at present must prove that he has got independent means sufficient to support him for the first two years, if I remember right, and there is no similar requirement in the case of the Foreign Office. The position in the Foreign Office is on the whole rather more attractive; it does not involve absence from England, the prospect of promotion seems to be thought rather better, and, therefore, a somewhat abler class of men go in for the Foreign Office posts.

28,023. And, therefore, you think that it would be better, do you, to abolish that regulation as to diplomatic appointments and the possession of private mean in order to get a better choice of men?—Yes, it is prejudicial in narrowing your choice because, it excludes men who might otherwise choose a diplomatic career.

28,024. Would not that very much add to the cost of the diplomatic service?—It would do so to some extent, I have no doubt, but there are branches in the diplomatic service in which you might effect retrenchments.

28,025. Could you indicate those?—Some embassies have salaries disproportionate to the importance of the work that they now discharge. I am not prepared at this moment to give you a specific scheme on the subject, but I believe you might effect entrenchments. Another reason why the Foreign Office is better manned may be found in the fact that the conditions of the first years of a young diplomatist's life are more unfavourable to him than those of the Foreign Office, and if he is as good as the Foreign Office men to begin with, the probability is that the conditions under which he is do not leave him quite so intelligent and assiduous a man at the end of five or six years as the Foreign Office clerk would probably be.

28,026. Do you think there is sufficient work of a better character to give him in the ordinary embassies or legations?—Of course the embassies or legations vary very much, and it is hardly possible to speak generally. In some of them there is, certainly.

28,027. In what form would that be; would it be report writing for information to be sent home?—Yes, report writing, and very often reading through the material which comes into the office, and making a précis of part of it, and conducting a good deal of the minor correspondence that some of the embassies and legations have to conduct. For instance, take the case of Constantinople, the ambassador at Constantinople is practically the centre of a great ramification of consuls over the Turkish East, and there is a great deal of work to be done there which does not necessarily consist in writing reports home.

28,028. When you were at the Foreign Office, did you have any complaints from British merchants as to the action of our consuls abroad?—Yes, we sometimes had; they sometimes complained that their interests were not pushed sufficiently, and very often when we had them up and cross-examined them about their complaints, it has turned out that they wanted things which we did not think they ought to require the consuls to do for them. I should say that, taking it all in all, the consuls then were doing their duty fairly.

28,029. (*Mr. Freeman-Mitford.*) You were asked just now a question as to what record there would remain of a presidential message; would not it be the duty of the minister at Washington to forward a copy of the presidential message on which he would base his despatch?—Probably he would send a copy of it, but I can conceive of his merely referring to the message, and assuming that it would be read here.

28,030. You do not know, as a matter of fact, whether he does send copies of such documents?—I think no presidential message was delivered during the time that I was in the Foreign Office.

28,031. You are in favour of amalgamating the two services, the diplomatic service with the Foreign Office, and at the same time you are in favour of reducing the number of political clerks in the Foreign Office and substituting lower division clerks for them?—Yes.

28,032. Would not the amalgamation of the diplomatic service with the Foreign Office render it rather more difficult to reduce the number of the political clerks, because you must retain a certain backbone of clerks so as to train the people who come from abroad in the practice of the office?—Certainly; but then one would regulate the number of clerks you had in the office by the exigencies of the public service for the time being. One would keep so many at work in the Foreign Office of those who belong to the general service, as the condition of the Foreign Office then required.

28,033. How would you meet the monetary difficulty, the fact that men come into the Foreign Office without sufficient means, as they would say, themselves, to be sent abroad?—I think there is always a certain number of men who rather prefer to go abroad, a certain number of men who prefer to stay at home, and a certain number of men who have knowledge of some particular foreign country or countries. I do not think there would be any very great difficulty found in sorting out the men and sending them to their proper places.

28,034. Perhaps not, but supposing them to have sufficient money to enable them to meet the extra expense of going abroad, would you see any difficulty in that?—The extra expense involved in going abroad does not seem to me to be great. Except in a few countries a man could practically live as cheaply abroad as he could live in London.

28,035. Do you think so?—I am not sure; but, speaking generally, I think it would be scarcely more costly for him to live abroad than it would be for him to live in London. An attaché, hitherto, has been expected, perhaps, to keep up a little bit more of a social position abroad than a Foreign Office clerk need do in England; but the salaries that we pay are, I believe, larger than the salaries which are paid by most continental countries, and I do not think an English attaché or secretary of legation ought to be expected to live any better than a German or a Frenchman who was living in the same capital.

28,036. There are certain capitals to which it would be absolutely out of the question to send a man unless he had private means, and some of those places would be very important ones, such as St. Petersburg?—No doubt Berlin and Washington and St. Petersburg are expensive places. I think you might fairly assume that there would always be a considerable number of men going into the diplomatic establishment who had private means.

28,037. I am talking about sending the clerks out?—I mean, you might assume that a considerable number of men who belonged to what may be called the general service would have means, and then, to some extent, you would send those men out; but it would not follow that the salary which a man received while he was here was the same as the salary which he would receive when he went abroad. You might have to fix it on a somewhat different scale.

28,038. But it would doubtless be a very great advantage to amalgamate the two services, would it not?—Taking it all in all, I think it would.

28,039. (*Lord Lingen.*) Do the ministers report periodically, in the sense of fixed periods, or only at discretion?—I should say at discretion, in proportion to the importance of the matters that are then pending.

28,040. They might, of course, be reporting daily, but in an ordinary embassy would they report once a month?—If by "report" you mean sending a despatch, they would report much more frequently from all the European embassies. From the great European embassies there would be a despatch, generally speaking, every two or three days, sometimes oftener.

28,041. Then, as a matter of fact, would not one of those despatches contain multitudinous enclosures?—Sometimes they would, but not always.

28,042. Would not they ordinarily contain newspapers?—Occasionally, but, I should say, speaking from recollection, not ordinarily.

28,043. They would not usually send newspapers, but that might be a good way of giving an idea of what the opinion was in the countries where they were?—Every now and then they would; there are countries, certainly, from which they used to send, now and then, newspaper articles, often as a sort of text upon which to comment in the despatch. The practice of different ambassadors varied much in that respect.

28,044. On the whole, your experience, I gather from your answers, would be that the press did not figure very largely in the enclosures that they send home?—I should say not very largely.

28,045. Is the first appointment to a mission abroad that of an unpaid attaché?—I believe so.

28,046. And that would extend over as long a period as two years?—On an average it would be two years.

28,047. And a young man is not told off for that service unless he can show that during those two years he can maintain himself?—That is so.

28,048. The difference between the Foreign Office in London and a mission abroad would be this: that at the Foreign Office in London, except so far as it rested with himself, his work would be as it were in a chancery; I mean his work would be clerical in London?—Yes.

28,049. When he gets abroad, I suppose, if he is a rising diplomatist, the chancery, even if it is the beginning, is not the end of what is expected of him: his power of picking up information in society and mixing with people would enter very largely into his chances, would it not?—In some embassies and legations it would, but very unequally as between different ones. There are some where there would not be much to be picked up in that way.

28,050. Do you think that a young man whose ability was great in compiling memoranda, and even drafting despatches, and whose talent generally lay in the chancery, and did not lie in the drawing-room, would have a fair chance in a foreign embassy?—Certainly; in some embassies a very good chance indeed.

28,051. In enough embassies to encourage the growth of that sort of men in the diplomatic service?—Certainly.

28,052. Now to go to another subject, there is a pretty frequent change by opening new consular stations, and suppressing others?—Yes, that is so.

28,053. When one station is suppressed and another is opened, what usually is the ground on which that change is made?—That is a matter which would be better answered by any one whose experience has extended over a very much longer period than mine; but I should say, judging not so much from what I saw in the Foreign Office as from what I have been in the habit of watching while in Parliament, that it would depend in most cases upon the commercial importance of the place, particularly on the rising or falling trade of the port: but in some parts of the world, particularly in the Levant and all those regions, it would depend also upon political reasons, and I am inclined to think that there we have even passed over one or two places where for political reasons it might be very desirable to have a representative.

28,054. For political reasons?—Yes.

28,055. I should like to confine myself just for the present to the commercial places. Are chambers of commerce in sufficiently frequent communication, either with the Board of Trade or with the Foreign Office, to ensure their having something to say as to the opening of a new consular station?—Any representation that they would make would be certain to be attended to; that is to say, it would be considered. Of course the question of expense would have to be taken into account by the Foreign Office, but I am sure it would be considered. I do not recollect many representations from Chambers of Commerce upon that point.

28,056. Do you recollect one?—I cannot at the moment recollect any one. I am bound to say that Chambers of Commerce were not so fertile in suggestions as you might have expected, or as they supposed themselves to be. They were very apt to say, you ought to do this or to do that generally; but I do not think they make so many specific suggestions as we might reasonably have expected from them.

28,057. (*Mr. Harvey.*) Do you regard them as representative of the trade in the places for which they spoke?—In some cases you may say they are, but there is a good deal of difference between different towns in that respect.

28,058. (*Mr. Lawson.*) You have expressed yourself in favour of the amalgamation of the diplomatic service with the Foreign Office service. I suppose you are aware that this step was constantly mooted before the last Committee of the House of Commons which investigated the question in 1871?—I have heard that it was before them.

28,059. I find Mr. Anderson, who is now Sir Percy Anderson, said that he should like to see the services amalgamated, as far as possible, up to the higher grades; do you know whether anything more has been done to carry out the feeling which then seems to have existed, though it does not appear in the report of the committee beyond a recommendation as to interchange of secretaries?—I do not think the interchange is confined entirely to secretaries, is it? I am not sure, but I think there has been a growing tendency to interchange. I think it is more and more the custom for diplomatists to come back and work for a little while in the Foreign Office, perhaps for a year or two; and it is more and more the custom for Foreign Office clerks to go abroad and work for a time there. I know one or two cases in my own experience of extremely capable Foreign Office men whom an ambassador abroad has wished to have, and who have gone and helped him for some time abroad. There is one such clerk at present in Paris.

Mr. J. Bryce, M.P.

13 Dec. 1889

28,060. But in that case the Foreign Office clerk is only temporarily lent to the embassy, I believe?—That is so.

28,061. The French system, I believe, is one of entire amalgamation?—I believe so.

28,062. Do you think the mere possibility of interchange is not sufficient?—I do not wish to speak very positively about it, because what I say on this is subject to the shortness of my own experience; but it seems to me that the arguments in favour of the amalgamation are, on the whole, the stronger.

28,063. You are quite convinced that by imposing a property disqualification you do not get a class of men intellectually so capable for the diplomatic service as for the Foreign Office service?—I think that is one of the elements which prevents the diplomatic service from having all that it ought to have.

28,064. Do you think it is the determining factor?—Not altogether. I think that the work of the Foreign Office would by many people be considered more interesting, and that many people would prefer to live at home rather than to go abroad. Thus, even apart from the requirement of having independent means, there would be a tendency to prefer the Foreign Office.

28,065. But yet I believe it is the case that some of the gentlemen who have interchanged of late years have been among some of the ablest of the Foreign Office clerks?—Certainly, that is quite true.

28,066. You would argue, I daresay, from the fact that those Foreign Office clerks do interchange without any property qualification being asked from them, that if it is the case with them it should also be with men on their entrance to do so?—Yes, I think so.

28,067. Are you aware that in some portion of the foreign service, the French particularly, the secretaries of legations and embassies live at the embassy house?—That is the case in some of the French embassies; I am not sure about the others; I believe they do.

28,068. You are not prepared to express an opinion, perhaps, as to whether anything can be done in this direction for our service?—It depends so much upon the policy of having an official residence for the ambassador or minister. I believe it is, generally speaking, our policy to have an official residence, and of course if there be an official residence for the ambassador or minister, it would probably be a convenience to have provision made for accommodating one other member of the staff, but that is not a matter I have thought much upon.

28,069. Of course the cost of living, and particularly the cost of lodging, is an argument that is used in defence of enforcing this property qualification?—Yes; no doubt in many capitals the cost of lodging is a very large item. I believe it is so, for instance, in Washington and Berlin.

28,070. And in St. Petersburg?—And in St. Petersburg.

28,071. As a matter of fact, as perhaps you may be aware, our attachés do live in a house at Therapia, in a sort of annexe to the building?—At Therapia they do, but I do not think that is the case in Pera.

28,072. You do not make any suggestion as to that?—No, I make no suggestion.

28,073. I do not know whether you said you were in favour of limited competition in the Foreign Office, as opposed to absolutely open competition?—I think that practically we get just as good men as we could get

Mr. J. Bryce, M.P.

13 Dec. 1889.

under the system of open competition. There are some reasons, peculiar to the Foreign Office, for maintaining the present system.

28,074. If the services were amalgamated, would you suggest the same system as we have now for the Foreign Office clerks?—In regard to the details of the subjects for examination, I do not wish to express any opinion whether there should be a more difficult examination; but I think an examination of the same character should apply to both.

28,075. Do you think this examination lends itself too much to cramming?—Not more than any other Civil Service examination; of course it is very difficult to defeat cramming for any examination.

28,076. There is a movement at present, I believe, to make some of the examinations—certainly for the young men—more similar in character to the character of the Oxford schools examination; have you thought of that with reference to the Foreign Office clerks?—I should say, speaking generally, that the Foreign Office clerk's examination has this great merit, that the number of candidates who come up at any one time has not generally been very large. It is very much easier for an examiner to form a just judgment as between five or six, or even between eight and ten men, than it is when he has to pick out the best men from a much larger number. When there is a small number of men to examine, if you are a careful examiner, you are able to get a distinct personal impression of each of them. His work gives you an idea of his character and capacities, which you are not able to get when the number of the candidates is so large that you are obliged to rely almost entirely upon your marks. I feel, therefore, that an examination is a totally different thing for a small number of candidates from what it would be for a large number of candidates, and much more satisfactory in the former case.

28,077. Do you think the conditions make it possible that there can be any judicious selection from the list of names of candidates?—I am not quite sure that I understand you.

28,078. Do you think the system of nomination by the Secretary of State gives you the best class of men for the purpose?—I should like to see the nomination by the Secretary of State given rather more freely, perhaps, than it is now, and rather more as a matter of course to any person, whether privately known to him or not, who is able to satisfy him that he is a competent person. The advantage of keeping up this nomination by the Secretary of State is that you thereby leave to him a sort of discretion, which under the system of absolutely open competition you could not give, for ascertaining various things about the individual man which examination cannot test, but which in the case of work like the Foreign Office and diplomatic work it must be important to be satisfied upon.

28,079. We have had it upon the high authority of Sir Philip Currie that, of course, what you must look to in a case of this kind is a man's family connections. Do you think that as a test is sufficient?—I would not, perhaps, use exactly that expression. I do not say that a man's connections might not possibly be of some consequence; but I should look rather to the whole character and tone of the man. I should rather prefer to put it that way—that his tone and the impression that he makes on those who have known him during the time of his education might fairly come in in determining whether he was a person whom you would admit into a very confidential position.

28,080. You were acquainted, I suppose, while you were at the Foreign Office, with the young men who had entered under limited competition?—Certainly.

28,081. Did you see anything of the work of those who had just joined the office?—Little or nothing of those who had just joined, but something of those who had been there some five or six years.

28,082. It has been alleged that for the first six months or a year a man is employed in sticking one piece of paper on to another and work of a kindred sort?—I should think that is very likely to be true. I cannot say of my own knowledge, not knowing much about the elementary work of the departments.

28,083. It is a rule of the department that the attachés, when they are nominated to a legation or embassy, should go for six months, I believe, to the Foreign Office; do you think that during that time the fullest opportunity is taken of making them acquainted with the real Foreign Office work?—I do not know quite enough of the inside of the departments to say.

28,084. Do you then tell us that young men entering the diplomatic service, supposing the two systems are kept apart, should serve at the Foreign Office?—Yes.

28,085. Do you think the period might be extended to a year?—Yes, I think so. Of course it partly depends on the kind of work they are given. I should rate the value of their presence at the Foreign Office more highly if they were given some work besides purely mechanical work.

28,086. You were discussing questions of hours at the Foreign Office, do you think that the present hours are suited to the convenience of the commercial community?—I never heard any complaints on that subject. The commercial department opens a little earlier—I think an hour earlier than the others, and it did not seem to me that there was any great disposition on the part of the merchants who came to come in the morning; they mostly called between two and four o'clock.

28,087. I understand that when you advocate some system of copying by clerks in the Foreign Office of a lower grade than the upper division, you would not be in favour of the appointment of temporary men?—You might perhaps want now and then to employ temporary men if you had a great pressure of business, but certainly it is not every kind of work that you would give to them; you would be careful what sort of work you gave them. I do not know that it ought to be necessary to do so, but perhaps it would be necessary to do it all by your permanent staff.

28,088. By your lower division clerks?—Yes; but I can conceive an exceptional pressure when you might have to take on some.

28,089. These lower division clerks of course would do part of the routine work, of what is called the diplomatic establishment of the Foreign Office?—Certainly.

28,090. That would be introducing a new principle into the organisation?—It would only extend what is already done in the commercial department, and in the treaty department, to the purely political departments.

28,091. Do you see any necessity for keeping three departments—the chief clerk's department, the librarian's department, and the treaty department, absolutely distinct from the large geographical divisions, eastern, western, and American?—I can conceive that there might be some advantages in keeping the chief clerk's department distinct to some extent. The case is not quite the same with regard to the librarian's and the treaty department. The work in the chief clerk's department is to a very large extent accountant's work.

28,092. Do not you believe that a greater interchange of men of all ranks between these departments would be a benefit to them and to the service?—On the whole it would, but again I do not think that would apply so much to the chief clerk's office.

28,093. Excepting that, that leaves the consular, the commercial, the librarian's, and the treaty departments?—Yes.

28,094. Did you have anything to say while you were examining into the question of consuls as to the separation of the China and Japan service from the rest of the consular business?—We felt that there were some circumstances or conditions peculiar to China and Japan, perhaps I ought to say to Siam and also to some of the other countries in those regions which did not quite apply to the rest of the world. We felt, for instance, that one might allow our representatives a somewhat greater latitude as regards pushing British trade there than would be desirable in some other countries; but I do not remember that we saw any reason for creating a separate and distinct consular department for those countries.

28,095. At the present moment they are tacked on to the American department, though the diplomatic establishment is quite distinct from the consular and commercial departments, and Mr. Kennedy told us that he thought it would be an advantage if for trade purposes they came to him. Would you be disposed to take that view?—I see some advantages in having them under the commercial department, but I am not prepared to express a positive opinion about it.

28,096. With reference to the diplomatic service, did you see the reports that were made by secretaries on

their own initiative on financial and commercial subjects?—Yes, sometimes.

28,097. Generally speaking, do you think they were up to the proper standard?—They varied very much. Some of them were. I believe some of them less so.

28,098. Do you believe it is a good system that a young diplomat should recommend himself to the notice of the Foreign Office by means of these voluntary reports?—It is a very desirable thing to encourage him in it.

28,099. Do you think they ought to send in voluntarily, or that there ought to be a more regular system?—They ought to be distinctly encouraged to do so: but my impression is that they are so encouraged at present, and that if they send in good reports they feel that it helps their promotion. If they have been slack in doing it, then they ought to be, no doubt, stirred up still more.

28,100. I believe, as a matter of fact, there is a considerable difference between different embassies in this respect?—There is.

28,101. Do not you think it does not always depend upon the circumstances of trade, and that in some countries where there is less English trade you might get a great many more reports than you would from others where the English trade interests were more important?—Certainly it depends a great deal upon the ambassador how far he keeps his young men up to the mark; and it depends also on the amount of ambition and mental activity of the subordinate members of the ambassador's staff.

28,102. The question I put to you is, for a practical recommendation, do you think that the Foreign Office ought rather to insist upon than to encourage reports being sent in of this kind from any country where England is interested in a particular movement in trade?—Yes, I should go so far as that. I do not say that you could lay down an absolutely positive rule as to the number of reports that should be sent because that would vary from time to time; but you may say that they ought to insist.

28,103. You said you sent out in 1886 a memorandum to our representatives abroad enumerating different points that you thought information ought to be given upon in connection with commerce?—I drew up the memorandum, and I believe it was sent out. The memorandum was drawn up rather for the purposes of the Foreign Office, but, as I say, it was ultimately sent out.

28,104. I asked that because I wanted to know how far you had considered the advantage of getting reports upon Colonial and Indian as well as upon English trade?—I think that certainly the principles we laid down would have applied to Colonial and Indian affairs. I forget whether it was specially adverted to, but certainly it was within one's contemplation that the reports should be prepared with a view to the benefit of the mercantile community in India and the Colonies as well as at home. I forget whether we particularly recommended it. Of course, it would not fall within the purview of the Foreign Office to report upon the phenomena of trade in India and in the Colonies. That would depend upon the India Office and the Colonial Office. But I understand you to refer to reports upon the trade of India and the Colonies with foreign countries.

28,105. Do you think in this respect there is sufficient communication between the Indian and Colonial Governments and the Foreign Office at home?—I should say that the India and Colonial Offices, when they get reports relating to trade would rather communicate with the Board of Trade, perhaps, than with the Foreign Office. You see, in the distribution of functions that was thought desirable in 1886, it was agreed that the Board of Trade should issue the trade journal and should publish the reports there. We thought that perhaps it would be better for the India and Colonial Offices to send whatever they received that might be useful over to the Board of Trade, and then that they would be published in the journal; but if the India and Colonial offices were to publish reports about trade received from India or the Colonies that would also be of service to our merchants.

28,105*a*. You are not aware whether that has been done?—No, I do not recollect any such Colonial or Indian reports ever being laid before Parliament.

28,106. Do you think it might be of advantage to the Colonies, especially where there is an opening for trade, of these certificates were always communicated to the Colonial and Indian Governments?—I am not sure that I understand by whom you propose the reports to be prepared.

Mr. J. Bryce M.P.

13 Dec. 1889.

28,107. I mean they would come from the commercial department of the Foreign Office?—Yes, but from whom?

28,108. From the consuls and representatives of England abroad?—Probably the Foreign Office would send across to the India Office or Colonial Office anything which it thought would be of interest for transmission abroad. I seem to recollect occasions upon which, upon getting a report, one said, the Indian Office would like to see this, or the Colonial Office would like to see this, and we sent it across to them, and it is doubtless desirable that this should be done.

28,108*a*. Mr. Law, who is the commercial attaché at St. Petersburg and in the East, has suggested that that would perhaps be the function of a commercial intelligence department of the Imperial Institute; but do not you think, without dealing of course with a question quite outside our purview, that it would be an advantage to the Foreign Office itself if the commercial department of the Foreign Office took steps to give our Colonies full information?—Certainly.

28,109. In respect to the consular service I should like to ask you whether you do not think that the best method of giving encouragement to zealous work and so forth would be by appointing the men who are chosen, I do not say in what way first of all, to vice-consulates everywhere, as in the case of Turkey now; and then that they should look to promotion to higher posts as they do not now?—Yes, I think you ought to have a career in the consular service which would be open to merit, and which would encourage a man of energy and ambition to enter it; that I suppose is the point of your question.

28,110. Yes. Do you think there is a sufficient career, open to a man now?—No, there is not. A man who has done very good work and hard work, at perhaps a poorly paid consulate, is now liable when a better consulate falls vacant to see it filled by the nomination of a person unconnected with the service and who has no claim, except some personal acquaintance or some political influence with the Secretary of State.

28,111. We have heard that the limit of age is between 25 and 50; do you think that is too wide?—Speaking generally it is too wide, though I can imagine a case in which a man might be quite fit for work at 50.

28,112. It has been stated that it would be a very bad thing to remove consuls from one country to another and lose the advantage of their local knowledge; do you attach much importance to that argument?—I do not think it is so important as it would be to provide a career. Sometimes it is important to utilize a man in the same country; perhaps you would promote him from a less important to a more important place in the same country. You might take him from a small port in France, for instance, and make him consul at Marseilles or Bordeaux. On the whole, I should care most about making the service one in which merit would be certain to be rewarded.

28,113. Then there is rather a small point, but I put it to a previous witness; I see that in the report of the Committee of 1872 on the consular services, the opinion of a witness is quoted with approval, that advancement in social rank and position and every chance of honorary rewards and marks of distinction should be applied to the consular service. Do you think that has been done sufficiently?—It is done to some extent, but of course the whole question of the way in which we bestow titular rewards is a very large one. I think it is done every now and again; I have known several cases of consuls having been made K.C.M.G.'s in respect of their services.

28,114. Really?—Yes.

28,115. Do not you think there is too much disposition to treat the consular service as a rather inferior one?—There is still some disposition, but it is diminishing; and on the whole there is more disposition to recognise the work of consuls and to treat them as equals than there was formerly.

28,116. Do not you think a full use ought to be made of the opportunities which are enjoyed in this country of bestowing this sort of distinction for good work as in the diplomatic service is done frequently?—Yes, no

Mr. J. Bryce, M.P.

13 Dec. 1889.

doubt. A consul ought to feel that in that way also his work would be recognised.

28,117. Do you believe it would be possible to make more promotions from the consular to the diplomatic service or do you think the disadvantages counterbalance the advantages?—I do not know that I should make frequent changes from the one to the other. There is a good deal of difference between the work, but again that would depend, you know, upon where the consul had been placed. In some parts of the world the consul has much more in the nature of diplomatic work to do than he has in others. A consul in the Levant or a consul in some parts of the further East has work to do which is political as well as commercial.

28,118. Of course, you would be of opinion that you might require a different class of man for Turkey and the corps of student interpreters from what you would use for France or for the United States?—Yes, you would choose a different sort of man.

28,119. Dealing with that class of man, do you believe that taking into consideration all the trade interests at stake, that you would get a better class of man from the commercial class (from men who had been in commercial business) than from young men of general competence entering by examination?—All things considered, it would be better to take the latter class and to expect them to qualify themselves specially for the work. Now, and then, of course you might get a very good man engaged in commerce who would go over, but, as a rule, the man who would leave commerce to be a consul would be a man who had failed in commerce, and although occassionally he might have the qualities that would enable him to succeed as a consul, but do not tend to success in commerce, it would be rather dangerous to contemplate many cases of that kind.

28,120. I dare say you would be of opinion then that the competent young man would pick up sufficient commercial knowledge to supply all the information that is necessary?—Yes, there is no mystery in it. At the ports, and any other places where he would be stationed, he would associate largely with commercial people; a good deal of his work is commercial, and he would soon gain a knowledge of commercial affairs.

28,121. You have been in Asia Minor, I know; are you able to speak as to this new class of student interpreters, and of the men who have been made consuls and vice-consuls under that system?—I know two or three of them personally, but I cannot say that I have had occasion to see their work.

28,122. You do not think that under any conditions it would be possible to assimilate the English system to the German system, which gives assistance to trade?—I am not sure that I know what you mean by "assistance."

28,123. Assistance to a particular firm by getting them contracts for all kinds of business?—As soon as you did it to particular firms you would immediately excite complaints on the part of other British firms. It never would do for a consul to associate himself with one particular British firm at a foreign port to the exclusion of others; he would incur the suspicion of having a personal interest in it, and he would excite a great deal of ill-feeling on the part of other British merchants.

28,124. Do you think the consuls go far enough in that direction now?—I cannot say that I know exactly what has passed in the last three years, but I should say that in 1886 it seemed to me that they did not go quite so far as they might have gone, and we encouraged them to go a little bit further, not of course in the way of pushing the business of particular British firms, but in the way of gaining information, sending home reports, and so on; in fact, helping British trade generally.

28,125. Supposing a museum for the display of samples were established under the Imperial Institute, or that there were local museums in connexion with chambers of commerce, would you see any objection to supplying them with samples?—By all means let them send the samples, they would be very useful.

28,126. You would not contemplate the Foreign Office itself asking Parliament to make a contribution towards setting up these museums?—No.

28,127. Would you see any harm in a suggestion which has been strongly recommended to us, that there should be consuls-general appointed in Europe to the principal countries (or groups of countries, such as Spain and Portugal) to overlook the general consular work and to make general reports upon trade?—I cannot say I have considered that. On the spur of the moment, I am not prepared to say that it is necessary.

28,128. (*Lord Lingen.*) The question was put to you, I think, in a former part of this examination, that if we were to consolidate the junior diplomatic and the junior political service in the Foreign Office, we should increase the expense, because we should lose the unpaid unattached service, and we should give a higher rate of pay all round than is now given in the diplomatic service. If that was the whole proposal, that possibly would be so, but I wanted to ask whether what you contemplate was this: that supposing at this moment you have got the full junior upper division staff at the Foreign Office, and you have got a full staff diplomatically abroad, there is no room, so to speak, to bring a diplomatist into the Foreign Office unless you take the political men abroad, and that, as far as that goes, there would be a certain increase of expenditure. But supposing that we carried out the reductions that you spoke of in the political department in the Foreign Office by a larger employment of lower division clerks, we should then make room for bringing in these diplomatic young gentlemen, and the extra cost that was incurred upon them would be compensated by the saving of employing a greater number of lower division clerks. I want clearly to ascertain whether that was what you contemplated?—So far as I understand the point you put, I think that represents what I meant to say.

28,129. To put it more shortly, that whereas we should be paying more for our diplomatic service, we should be paying less if that was regarded as part of the general charge for our political service in the Foreign Office, and that we might, more or less, approach to a balance between those two—the increase on the one hand, and the reduction on the other?—I think that would be so.

28,130. When you contemplated bringing the diplomatic junior officers into the Foreign Office, on the pay of the Foreign Office, did you contemplate that as a permanent change of their pay if they went back to the diplomatic service, or only as a temporary one while they were at the Foreign Office?—Only the latter.

28,131. Then there is one other question that one of your answers has suggested to me. Are all the reports that come from the secretaries of legation on financial and commercial matters printed as a matter of course, or only the best of them?—Speaking from recollection, I do not think they are all printed.

28,132. They are not all printed?—I believe not.

28,133. To a certain extent the reports from these secretaries would be side by side with reports, very likely on the same matters, from the consular officers, would they not?—It was generally endeavoured to have some distinction between the matters on which the consuls would report and the matters on which legations or embassies would report, but they might every now and then happen to coincide or overlap.

28,134. I think one of the questions that was suggested was connected with bi-metallism, silver, and so on; would that naturally be the subject of a secretarial or of a consular report?—Secretarial.

28,135. It would be somewhat accidental if the secretary of a legation knew anything about this subject, except so far as he got it up *ad hoc*, would not it?—He could hardly help hearing these subjects talked about in Washington, at any rate, but certainly it would not be any part of his general diplomatic duties to be a proficient in it.

28,136. (*Mr. Lawson.*) Is there not this difference between a consular and a diplomatic report on trade subjects, that the diplomatic report would probably cover the whole country, or a considerable part of it, whereas the consular would be confined to a particular district?—That would be so, speaking generally, though, of course, the consul might define his own district as being a very wide one, but, speaking generally, what you say would truly represent the distinction.

The witness withdrew.

Adjourned.

EIGHTY-SECOND DAY.

7, Whitehall Place, Westminster, S.W., Thursday, February 13th, 1890.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

Lord LINGEN, K.C.B.
Lord BASING.
Mr. A. S. HARVEY.
Mr. H. L. W. LAWSON, M.P.
Mr. J. W. MACLURE, M.P.
Mr. H. WALPOLE, C.B., *Secretary.*

Mr. ROBERT GIFFEN, LL.D., re-called and further examined.

Mr. R. Giffen, LL.D.

13 Feb. 1890.

28,137. (*Chairman.*) You are, as we know, one of the Assistant Secretaries of the Board of Trade, and are, I think, chiefly responsible for all the trade publications and statistics of the Board of Trade?—That is so.

28,138. That is, generally, your position in the Board of Trade?—That is my position in the Board of Trade.

28,139. In the course of our inquiry into the Foreign Office we have received some evidence as to the assistance given to the commerce of Great Britain by the action of the Foreign Office, and we are anxious, therefore, to hear what are your views about the present arrangements, which were made, I think, in 1872 between the Foreign Office and the Board of Trade with reference to the commercial interests of our country?—That is what I understand I have been asked to come for. I have notes here of the different points where the Board of Trade and the Foreign Office now come into contact. I may say, with reference to the arrangements of 1872, which were made before I was appointed to the Board of Trade, that no change of staff was made at the time in the Board of Trade. Sir Louis Mallet's appointment as head of the commercial department came to an end by his being appointed to the India Office, and substantially what happened was that that post at the Board of Trade was not continued, and that instead of that, an officer was appointed at the Foreign Office to take the initiative in commercial negotiations which Sir Louis Mallet, at the Board of Trade, had been taking. Whatever may have been intended besides that, so far as any staff was required for the purpose, does not seem to have been carried out, because the compilation of tariffs, foreign and colonial, and the publication of such information remained at the Board of Trade after 1872 exactly as it had been before that date. There were two departments at the Board of Trade at that time, the statistical and the commercial; and after the transfer in 1872 to the Foreign Office, these two departments were combined, and called the statistical and commercial department. That was the office to which I myself was appointed in 1876, four years after the transfer of 1872 had been carried out. I may say that a few years after that date, when some changes were made in the Board of Trade, the so-called statistical and commercial department was named exclusively the commercial department, because as far as could be judged, the properly commercial work of the Board of Trade had increased since 1876, and not diminished. That is the history of the departments. The Board of Trade and its commercial department, and the commercial and other departments (because it is not solely the commercial department) of the Foreign Office come in contact at several points, and I will take these points in their order. The first one is one with which we have nothing to do at the commercial department of the Board of Trade, and that is the business which the consuls transact for the Board of Trade in connexion with shipping. This is a very large business, and is a business naturally which falls to the marine department of the Board of Trade; and the marine department, and to some extent the finance department of the Board of Trade, correspond directly with consuls all over the world in regard to this shipping business which consists of the mortgage and register of ships, the engagement and discharge of crews in foreign ports, the relief of distressed seamen, the management of the naval reserve, and various other matters which lead to very considerable correspondence. This is carried on directly between the Board of Trade and the consuls; and, excepting where questions of discipline and various other questions of principle arise where a correspondence must necessarily go on with the Foreign Office, all this business goes on directly between the Board of Trade and the consuls; and I understand that it goes on very satisfactorily indeed.

28,140. When you say the Board of Trade direct the correspondence on one side, you mean the marine department of the Board of Trade, and not your department, do you not?—Not my department; this is not what my department has to do with. I am speaking for the Board of Trade at present, and this is what I am able to tell you. Then where we, in our department, come in contact with the Foreign Office and especially with the commercial department of the Foreign Office is, first of all, in respect of the compilation and publication of foreign tariffs and the giving of information to the Government in respect of these matters. This is done, as it always was done, by the Board of Trade. Amongst the things which we publish is the import duty return published at various intervals; the last one was published in 1885, and we are about to publish another in the course of the present session. Then we have special returns at different times of which I have one or two specimens here; and within the last three years, since the "Board of Trade Journal" has been issued, we have published a great amount of information respecting foreign tariffs, and respecting changes in these tariffs in the "Board of Trade Journal." A copy of the journal is here, to be referred to if any of the Commissioners would like to look at it. I may say that we publish both the tariffs themselves and notices of changes in the tariffs from time to time. During the last 12 months we have published the tariffs of the chief non-European States, such as: Guadeloupe, Trinidad, Nicaragua, Tasmania, Queensland, Fiji, Gaboon, Martinique, and the Argentine Republic. Lately, commencing in January, we have been publishing a special tariff return connected with cotton tissues and other matters of that kind. We are continually publishing tariff returns and notices. In this business we come in contact with the commercial department of the Foreign Office which supplies us with a good deal of the raw material which we work up in these different publications, but I should say by no means the whole of the raw material. If you look through the issues of the "Board of Trade Journal" you will find that a great amount of information as to changes in tariff is derived from sources independent of the Foreign Office. On this matter (this is one of the things that I may say on behalf of the Board of Trade) we should like to get more from the Foreign Office than we do. On the whole we should prefer in this matter to get our information to a very large extent through the agents of the British Government exclusively, partly because we think we ought to get it more expeditiously in that way, and also that the information would then be more trustworthy, and because we should like to publish it exactly as our own information.

28,141. Do you mean that you would like the consuls to send this information?—The consuls or the secretaries of legation or whoever it is that communicates this information to the Foreign Office should do so. I believe that we get whatever comes to the Foreign Office—that is our understanding; but we should like to get it more quickly and more systematically, and we should like to depend upon the Foreign

Mr. R. Giffen, LL.D.

13 Feb. 1890.

Office source altogether, or nearly altogether, for getting the information.

28,142. As I understand it is sent to you from the Foreign Office in an altogether undigested form?—Altogether undigested.

28,143. And you work up that material together with such other raw material bearing upon the subject which the Board of Trade obtains from other quarter?—That is so. I may say that sometimes the working-up of this information is a very serious matter indeed. Some of the foreign tariffs are simple, but others are not so simple, and require a good deal of working up. I remember on an occasion, on receiving remonstrances from a very important political personage about things not being published, handing to him the tariff of a particular country, and asking if he, or any other man, could construe what that tariff meant. The thing is really so very difficult sometimes; the public have no idea of what the complication of foreign tariffs is.

28,144. You say you would like to get this information more quickly, and that I understand to be the gist of your recommendation?—Yes.

28,145. Having regard to the dates of the reports and of the other information which is sent in by our servants abroad, does much delay take place in the Foreign Office?—The delay is not in the Foreign Office, I think; it is in their not getting it from their agents abroad. If we could get it all quickly and systematically, and publish it in the "Board of Trade Journal," it would be very convenient indeed. I think we succeed very well as it is from the miscellaneous sources, but on the whole we should prefer to get it from the Foreign Office. Perhaps I ought to say with regard to the tariffs and various other questions that frequently these are matters upon which we have to inform the Government through our own president. The information is sometimes very important indeed. The next matter in which we come in contact with the commercial department of the Foreign Office is in the compilation and publication of our foreign trade statistics. The principal publication which we have is the statistical abstract for the principal and other foreign countries which gives the information to a certain extent for foreign countries which we give in our own statistical abstract for the United Kingdom, and which we give in the corresponding statistical abstract for the colonies. In addition to that we publish at different times a great deal of special information about the trade statistics of foreign countries; for instance, we have published two very elaborate reports about the trade in sugar. Not very long ago, to mention a special report of this kind, we published statistical tables relating to the progress of the foreign trade of the United Kingdom and of other countries in recent years. That was a very elaborate comparison of the trade of England, France, the United States, and Germany, as tested not by their own trade statistics, but by the trade statistics of every other foreign country with which all these countries dealt. That was a comparison to bring to a test a great deal of what has been discussed lately as to German trade displacing English trade in foreign countries, that being a topic which was very much enlarged upon in the different consular reports, and as to which it was thought at the Board of Trade desirable that we should put the facts in a general shape, as we did not altogether agree with the opinion and effect which these consular reports were producing. That was entirely done from the foreign trade volumes in the possession of the Board of Trade. Then these trade statistics enable us to give evidence on various important matters, such as the progress of foreign trade in comparison with our own, as to which I gave evidence before the Trade Depression Commission; as to currency matters, respecting which I gave evidence to the Gold and Silver Commission; and quite lately, to mention a recent case, as to the emigration and immigration of foreigners, which touches all commercial subjects in various ways, and as to which I gave evidence before the Select Committee of the House of Commons last session. As regards all this trade statistical information, I do not think we have anything to suggest, because we only get it very partially through the Foreign Office. To a very large extent our sources of information are independent of the Foreign Office, and we must always be comparatively independent. We do get a good many volumes through the Foreign Office, but the Foreign Office merely transmits to us the raw material in that way, and as to that, I have no suggestion to make. Then the next matter in which we come in contact with the Foreign Office is especially with reference to the "Board of Trade Journal." I have referred already to tariffs and publications respecting tariffs, which also affect the "Board of Trade Journal" to some extent. But there is a good deal of other information as to trade matters in the "Board of Trade Journal," such as extracts from diplomatic and consular reports, and matters of that kind. Here too, the remark I have to make is that we are not exclusively dependent upon the Foreign Office for this information. In the current number of the journal we have about five pages of matter of this kind from the Foreign Office, and at the same time we have about 40 pages, I should think, of similar matter, which we obtain partly from foreign journals, foreign official publications, foreign consular reports, and sources of that kind.

28,146. (*Lord Lingen.*) I should like to observe for one moment that we are inquiring into the Foreign Office now, and that I do not quite see how all these parts of your administration, in which you say you are independent of the Foreign Office, affect our present inquiry?—I am pointing out, I think, that we receive a certain amount of the information from the Foreign Office, and where we are in contact with it; and the remark I am going to make upon this very point just now is, that we should like to get more from the Foreign Office than we do.

28,147. (*Chairman.*) I understand your point is this: You point to the "Board of Trade Journal," and state that you give in the current number five or six pages of extracts from the diplomatic and consular reports, and then when you come to the heading, No. 8 in the list of contents, entitled "Miscellaneous Trade Notices," you state that those trade notices are not derived from the Foreign Office?—They are not derived from the Foreign Office.

28,148. Are the Foreign Office in possession of information similar to that which is given under head 8 which they could supply to you?—We think so. I mention the "Board of Trade Journal" in this way because it was started in conjunction with the Foreign Office, and partly to carry out an idea which was common to both departments at the time. I remember it is mentioned by Professor Bryce in his memorandum which he wrote about that time, and that the Foreign Office promised very strongly indeed to assist the Board of Trade in respect of extracts from diplomatic and consular reports to be published in the journal. We think, at the Board of Trade, that it would be very useful to enlarge this kind of information in the journal. We also are rather inclined to think that in the early days of the journal we got more information of this kind from the Foreign Office than we have lately done.

28,149. You get all the diplomatic and consular reports sent to you direct, do not you?—After they are printed—sometimes we get them before.

28,150. One can easily understand that you would not get the diplomatic reports, but all the consular reports on trade are sent immediately, on being printed, to the Board of Trade, are they not?—Not all on being printed; I do not think they come to us as a rule until they are issued to the public. As you see we do get some extracts from the Foreign Office, and we should like to have more; we think it would be advantageous that they should come in that way, and we think probably that it would relieve, to some extent, the bulk of the consular reports which the Foreign Office publish.

28,151. As we know the "Board of Trade Journal" comes out monthly?—Yes.

28,152. Would you like to be able to publish in that journal some of the extracts from the consular reports which appear to be especially interesting, instead of publishing the consular reports first as a whole and then publishing transcripts in the "Board of Trade Journal," is that your recommendation?—We have very few transcripts of what has actually been published. We have published transcripts at different times, but there is a great pressure for matter, and we have not understood that the Foreign Office would like us to do that; we have rather had an opinion, perhaps we may have been misinformed, that it would be the other way.

28,153. Who makes the extracts from the diplomatic and consular reports to which you have alluded; are those extracts made under your supervision?—These extracts which we have printed are from reports which are either communicated in writing to the Board of Trade and which we suggest to the Foreign Office should

be extracted, or the matter comes to us from the Foreign Office with a suggestion that it would be suitable for publication in the "Board of Trade Journal."

28,154. And your general representation is a very natural one that you think that possibly the Foreign Office might be able to give you rather more information of that nature than they do?—Yes, and also that that was the idea to some extent with which the "Board of Trade Journal" was started.

28,155. (*Mr. Lawson.*) And that information could be obtained at the Foreign Office by simply carrying out Mr. Bryce's memorandum, I suppose?—That is our opinion—that this is really carrying out what has been an idea common to both the Board of Trade and the Foreign Office.

28,156. (*Chairman.*) Have your Board made representations to the Foreign Office?—That has been a subject of communication and we believe that improvements will take place. We are quite friendly in the matter and we hope that some improvement will take place, but when I am asked the question I think that attention may be called to what is now being done—that is one of the points where we come in contact with the Foreign Office.

28,157. Perhaps you will kindly take another point in which you are in contact with the Foreign Office?—The last point, and perhaps to a certain extent the most important point, is that we give advice and information to the Foreign Office with regard to the negotiation of commercial treaties. I should say, perhaps, not merely directly to the Foreign Office, but we give it to some extent directly to our own chief and it may reach the Foreign Office a little indirectly. The matters are sometimes very urgent and very important. The occasions on which we are consulted by the Foreign Office in these matters are not usually very frequent. The consultation takes place after negotiations have advanced a certain stage, perhaps on some crisis occurring or when it comes near the point of a treaty being drafted, and then we have to consider the papers and make any observations or suggestions. I think there is very frequently something to suggest on the part of the Board of Trade when matters reach us. What we have to say upon this point is that on the whole we think it would be desirable sometimes if we received communications at a somewhat earlier date than we do. We are sometimes placed in a considerable difficulty in dealing with papers which come to us, on account of the want of time in which to deal with them. I believe that the Foreign Office are very often in much the same difficulty themselves when things come to a crisis and have to be decided rather quickly; but we incline to think that on the whole there would be room for more information being given to us at an earlier stage. Of course this is a matter under the present arrangements where the Foreign Office have an absolute initiative and we are perhaps not in a position altogether to judge of the circumstances in which they are placed, but we speak of what we sometimes feel in the department. I should think that we shall be on a better footing in future as it is the wish of the Foreign Office and of the Board of Trade that the communications should be made to us as early as possible. Then I should like to add with reference to the points where the department has been in contact with the Foreign Office, that an officer of the Board of Trade, Mr. Bateman, has been engaged in the principal commercial treaty negotiations. I mention particularly the French treaty, where he was secretary, and the sugar bounties negotiations where he was also engaged as secretary. In other matters, although not officially employed as secretary, he has been very much at the disposal of the Foreign Office although a Board of Trade officer; and a good deal of his time has been spent in the Foreign Office on account of his knowledge of tariffs and trade statistics.

28,158. In that respect then, with reference to the French treaty and the negotiations on the sugar bounties, the suggestions you make about more frequent communication or earlier communication with the Foreign Office have been met?—In all these cases.

28,159. That practice only wants extending a little more to meet your need?—That is really what it comes to, that the elements of a good practice exist in what has been done, and all that we at the Board of Trade suggest is that this should be continued and rather extended if anything, because we do possess a large amount of tariff and statistical information at the Board of Trade which we think is not in the possession of the Foreign Office.

Mr. R. Giffen, LL.D.

13 Feb. 1890.

28,160. I understand that in regard to the negotiation of all commercial treaties frequent communications take place with the Board of Trade from the Foreign Office before the draft is sent to the Board of Trade?—I could not say frequent communications.

28,161. But your suggestion is that the practice which has been followed in the case of the two instances that you have given us might be, with advantage, extended?—That is our opinion, and I believe that is the opinion of the Foreign Office generally too.

28,162. Then I gather from you that your general view of these arrangements as between the Board of Trade and the Foreign Office is that they are in principle quite satisfactory; but that you consider that you might get a little more information from the Foreign Office, and that you might get some of that which you do get, a little more quickly?—I think that is really the view that I have to express. We have no suggestion to make in principle regarding any change in the arrangements.

28,163. Is there any other point or recommendation that you could make which you think might be useful to the Commission in making any suggestions as to the way in which the Foreign Office, in connexion with the Board of Trade might be of assistance to British commerce?—I think that there are one or two points on which we have already made suggestions to the Foreign Office at different times. One is with reference to commercial museums which we have pressed upon the attention of the Foreign Office at different times.

28,164. We have had evidence on that, and I think the Foreign Office is entirely with you upon that matter?—I think we are entirely at one on that point. Another matter on which we have been engaged is with reference to the publication of common information on foreign tariffs. There has been a good deal of negotiation between the different foreign Governments and our own Government, having in view the common publication of tariff returns. The idea is that instead of every country making separate publications, or instead of every country making its own publication with reference to the tariffs of foreign countries, without regard to what is done elsewhere, there should be a sort of central commission which would publish every tariff of every foreign country in four or five languages, and that that should be accessible and convenient to all people concerned. It would not be very costly to each country in particular, and it might be of some use. The initiative was taken in that matter at the Board of Trade, and Mr. Bateman, whom I have already mentioned, attended one of the conferences at Brussels, along with a diplomatic agent of the Foreign Office there. Belgium, I may mention, is the principal moving country in this matter.

28,165. Has that project been assented to?—I believe some progress is being made with it, and I see it mentioned that there is to be another conference in June, but we have not heard of it officially yet.

28,166. (*Mr. Lawson.*) That would simplify your work a good deal, would it not?—We hope that it would improve the work altogether, and the common publication would be a work of reference; it would be a means of getting very authentic information, though it would not supersede our own work.

28,167. (*Mr. Harvey.*) I suppose you yourself see the various consular reports from time to time?—Of course I pay a good deal of attention to the consular reports. I think on that matter I may say that at different times our department has assisted the Foreign Office. Some two or three years ago I was a member of a committee by which various recommendations were made for the improvement of the consular reports, and to a large extent, what was recommended then has been carried out, and has been an improvement. Otherwise, of course, I have paid a great deal of attention to the consular reports at different times, and I was very well acquainted with them before I was appointed to the Board of Trade.

28,168. In the recommendations to which you have referred, was any suggestion made as to the mode in which they should be placed before the public—as to time and form?—At that time there were a good many complaints of delay, and I think that something which passed at the committee helped in that matter a little, because the printers were taking advantage of our

Mr. R. Giffen, LL.D.

13 Feb. 1890.

inexperience in printing matters, and they have been pulled up, and the printing is much more quickly done now, I believe. There are various matters with regard to the presentation to the public, not only of the consular reports, but of the "Board of Trade Journal" and other publications of that kind, which really involve questions between the Stationery Office and the Treasury, as to which I spoke in my former evidence. I think it would be very desirable in the case of publications of that kind—and this is a Board of Trade opinion also, certainly, as to our own publications—that we should have a freer hand in managing the printers, and that we should be able to employ our own printers, and look after the publication ourselves. That, we consider, would be very desirable indeed.

28,169. As to these reports, lately, I believe, the Foreign Office has been in the habit of printing special reports in what one may call the pamphlet form, which are sold at 2*d.* or 3*d.* Have you formed any opinion yourself as to whether that is an improvement on the old system?—I believe that some of them are even pamphlets of smaller dimensions; they are very small indeed. I think the point with regard to this would be that, at certain times of the year when newspapers are not full of matter, and when small reports of that kind happen to be very interesting, the best mode of obtaining publicity would be the circulation of leaflets of that kind, which would get into various newspapers, and so would get about the country very much; but at other times I should say that the publication in the leaflet form is not very good, and is apt not to reach the people so well as it would reach them in a journal like the "Board of Trade Journal." On the whole, I am inclined to think the balance of advantage would be, if a report of that kind is very short, to put it into the "Board of Trade Journal."

28,170. But you would hardly contend, would you, that the "Board of Trade Journal" should embody all the consular reports, or even extracts from them?—No; I speak of the shorter ones especially—they are almost too ephemeral to form part of a volume afterwards.

28,171. (*Mr. Lawson.*) Would not that swell the dimensions of this journal considerably?—There is always a question of publishing the journal fortnightly, or even weekly, which would be a further advantage, we believe, if it could be managed.

28,172. (*Mr. Harvey.*) We have had evidence given us that the publication of commercial reports in the ordinary Foreign Office series is preferred to publication in the "Board of Trade Journal." Do you think that would be so?—All I can say is, that all the accounts we have had of the "Board of Trade Journal" from chambers of commerce and other bodies express unlimited gratification at what they get. I have never heard a question of putting the one thing against the other. Before the "Board of Trade Journal" was published in its present form, and before the publication was actually made, we circulated a specimen number to all the chambers of commerce, and they all expressed their delight and gratification with it, and we have had similar expressions since.

28,173. (*Chairman.*) I daresay it is possible in some quarters that the "Board of Trade Journal," containing, as it does, such a very vast amount of information, may contain rather more than a particular trade or a particular set of men desire, and from that point of view they might prefer the separate issue?—If they see a thing by itself, and would like to keep it, they would find it convenient, no doubt. It is a question of balance of advantage, and there is, no doubt, a certain advantage in the leaflet, especially at certain times of the year, but we think the balance, on the whole, is the other way.

28,174. (*Mr. Harvey.*) Are you, on the whole, satisfied from a commercial standpoint with the consular reports?—I think that what we get now in the present form is better than it has been at any previous time; I think, on the whole (and my memory goes back for more than 20 years), there has been an improvement in the consular reports in many respects. I think very highly, indeed, of the reports on special subjects, which are published from time to time. There are two series; there is the annual series of consular reports, and the reports on special subjects; and I think that the reports on special subjects are often very admirable, indeed.

28,175. Those are the reports, are they not, which generally come out in the leaflet form?—The special subjects do not; the leaflets are more the annual reports, I think. I am not quite clear as to how that would be, but the special reports I speak of are mostly reports of some length that must have taken a good deal of trouble to prepare, and that contain a good deal of information.

28,176. Would you say that, on the whole, very little worthless stuff is published?—I should not like to say that. I am a little doubtful whether a good deal of compression could not be applied to the annual reports, and there are questions of omission, as well as of what is actually published.

28,177. Will you give us an instance of what you mean; you want better editorship. I presume that is what your observation comes to, that you think they might be better edited?—I think on the whole that more attention might be given to selection and compression, and perhaps that there are subjects which might be discussed which are not discussed, but then I do not know that it is altogether a question of editorship. I should not like to put it that way because it may depend actually upon the consular agents whom you have at particular points.

28,178. (*Mr. Lawson.*) Does it spring from the fact that they get too much into a rut?—The annual reports, I think, are very apt to get too much into a rut, and that is one of the dangers of them. I may say that a large amount of the information in the annual reports is very useful at different times, that is with reference to the trade of particular localities. With regard to the arrangement of consular districts, for instance, that is a matter upon which the Foreign Office consult us from time to time; and the information as to localities is one of the things which we have to refer to. In other ways, and sometimes very important ways, the information is very much valued indeed by the Government, and that is to some extent apart from the direct uses the reports may have to commercial people.

28,179. (*Mr. Harvey.*) You would have occasion, of course, to refer very often to the reports of consuls of other countries?—We refer a good deal to them; we have got a great many of them in the office.

28,180. Would you say that the reports of our consuls are on a level with those of the Consuls of the United States for general utility?—I should not be inclined to say that, taking them altogether, those of any other country are superior to our own. I believe that we in this country were the first to commence having them at all. Of course there are great varieties; some reports are very good, some reports are not so good; but I think amongst our own we have a very fair list indeed of excellent reports which can compare with those of other countries.

28,181. Do you think we are as prompt in publication; I observe that the report of the United States consul on the great strike is dated 31st August, and I believe was published in New York, within three weeks from the time—indeed while the strike was actually going on. Do you think that a consular report on a similarly important commercial incident abroad would have been transmitted as rapidly to us?—I have not observed that such rapidity has been shown here; I think sometimes the reports have come to hand, if not quite so quick as that, still with sufficient quickness to be very useful.

28,182. (*Lord Lingen.*) I think I understood you to say that on the subject of shipping and on the subject of seamen your department at the Board of Trade communicates directly with the consuls?—No; what I said was that the Board of Trade communicated directly with the consuls, but it is not my department which does so, it is the Marine Department and the Finance Department which have to do with these matters.

28,183. Would those communications be minuted in those two departments; would they not arise upon suggestions of yours?—The matters are matters of a very large routine indeed. There is a volume of instructions from the Board of Trade issued with the sanction of the Foreign Secretary to the consuls for their direction. Those instructions relate to the administration of shipping: they do not arise in my department.

28,184. I will not pursue that point further, because what I want to get at is this, is there any subject upon which your department communicates directly with the consuls in the same way that the marine and finance departments of your board communicate with

them about shipping and seamen?—No subject in my department.

28,185. That brings us to the point that we have got at the Foreign Office a considerable commercial department having regard to the number and rank of the officers, and we have got at the Board of Trade your department as a commercial and statistical department, do you think if we had a *tabula rasa* that both of those departments are wanted in their present strength?—I do not think there is any duplicate work at all.

28,186. No duplicate work?—No duplicate work.

28,187. What would you say is the exactly dividing line between the commercial department at the Foreign Office, and your department at the Board of Trade?—My department is a department essentially for the reception and publication of information, and for giving information to ministers, members of Parliament, and to other people. The Foreign Office is essentially a department for the business of negotiating commercial treaties.

28,188. But this information which reaches your department comes through the commercial department in the Foreign Office, does not it?—A great deal of it comes through the Foreign Office, and I believe what does come for the most part goes through the commercial department. That is a detail which we do not know much about. But to a large extent it is very much forwarding business, papers are received in the Foreign Office, and are sent on to us as they get them.

28,189. Is the material which reaches the commercial department of the Foreign Office and which comes on to you sent in its crude and native state or is it extracted and edited in any way in the commercial department of the Foreign Office?—It is not extracted or edited in any way.

28,190. The actual documents and reports are sent to you?—The actual documents and reports come to us.

28,191. To that extent then the commercial department of the Foreign Office acts as little more than a post office for the transmission of those reports?—I should say that very often you would have a report transmitted with a request for Board of Trade observations and things of that kind; but that is comparatively occasionally. Where the Foreign Office resembles a post office rather more is with regard to books and foreign official publications and things of that kind which are transmitted to us.

28,192. These consuls, of course, are not only commercial, but diplomatic; and very often extremely important diplomatic officers. When they report upon subjects which are not commercial subjects, I suppose they include those in actually separate reports; do you find political matter in the reports that come to you, or do you find commercial matter only?—As a rule they are commercial matter only. I should say that sometimes we have mixed political and commercial matters, but those are very important and very often confidential matters about which our opinions are invited.

28,193. Why I asked you that question was that I wanted to know whether, as a rule, these reports that come to you have been read over in the commercial department of the Foreign Office?—I should say that they have very probably been read over.

28,194. You think they have?—I should say there is very little doubt of it, and that the Foreign Office know the contents.

28,195. Would you wish to originate any power of direct communication between your department in the Board of Trade and the consular officers, or are you content with the present transmission through the Foreign Office as the exclusive channel through which they reach you?—Subject to the observations I have made, we are quite content with the present arrangements. We make no suggestion of a change of method in principle.

28,196. As you are aware our principal business here is the organisation of the different departments. I gather that the result of your evidence is that you are tolerably well content with the Foreign Office machinery, but that you think it might act a little more rapidly; is that the gist of your evidence?—I think so. In some matters that is really what it comes to, that we might have the tariff changes notified to us more systematically and more completely, and that we might be consulted more early sometimes. Then there is one other point, which is not a very important one. This journal is, of course, produced and published for the benefit of British traders in this country, and to give them all the information I suppose that can be given about the course and volume of trade all the world over.

28,197. To whom does it go?—Very largely to chambers of commerce and to mercantile men who subscribe to it. One of the things of which I rather complain is that the whole of that is managed by another department of the Government and by the printers; and, in that way we know very little about our own journal's circulation. I should like to have a larger share in the management of the printing in that way.

28,198. What department of the Government regulates its circulation?—The Stationery Office and the printers between them. The printers are also the publishers. It is with reference to publishing that I am speaking especially. The Stationery Office has an arrangement with the publishers, a sort of conglomerate arrangement, of which this is a very very small part indeed, and we do not think our business gets attended to. That is what it is.

28,199. What is the price of each number of the journal?—Sixpence; but some copies are circulated gratuitously.

28,200. Should you be willing now to trust to its sale. It seems hardly a thing to circulate gratuitously to such wealthy bodies as you have mentioned?—We do not circulate it gratuitously to those wealthy bodies, except, perhaps, one copy to each chamber of commerce, or something of that kind. The gratuitous circulation is very much to the consuls themselves, and other people abroad.

28,201. Should you be prepared to say that in this country the circulation is mainly a circulation by sale?—In this country, undoubtedly.

28,202. Have you any sort of notion what the circulation would be apart from what you may call the official circulation to chambers of commerce, and so on. What I want to get out by your answer is how far the traders of this country give some evidence that they set a value upon this publication?—I should say from my experience of commercial journals, from what I know independently of my knowledge at the Board of Trade, that the "Board of Trade Journal" has a very fair circulation indeed.

28,203. (*Mr. Lawson.*) As a matter of fact is there any gratuitous circulation except to consuls and official persons?—We get information through the Colonial Office, I may say as well as through the Foreign Office, and we send it to the Agent-General and other people in the colonies. It is a kind of exchange.

28,204. When you speak of the Foreign Office giving you a little more assistance in getting it up, could you tell me whether you think that some of the information which you obtain from foreign newspapers ought to be supplied direct by the consuls? I see, for instance, that foreign newspapers are plentifully quoted in the "Journal"?—We get a great number of foreign newspapers for different purposes in our department, and it seems a pity when we get things of that kind that we should not use them.

28,205. I do not quite understand, and I should like you to tell us what is the further information that could be sent from the Foreign Office to you which you do not get already?—I do not know whether you refer to tariff charges, or to the diplomatic and consular reports.

28,206. I was thinking of the diplomatic and consular reports?—All that we mean is that we should like more of the same quality that we have now. It is only a question of quantity.

28,207-8. And in respect to tariff returns?—In respect to tariffs; taking the case of Mexico, for instance, we have a modification of import duties on beer which we extract from a Mexican publication. Then, again, we have a notice of an export duty on building and cabinet wood which we extract from the "Moniteur Belge," which is a kind of official publication. These are the kind of things that we, on the whole, prefer to have direct from the Foreign Office.

28,209. As a matter of fact, do you think that the consuls are carrying out in fulness of spirit Mr. Bryce's memorandum and Lord Rosebery's instructions in 1886?—I do not know that I am altogether able to speak about that, except as regards consular reports

Mr. R. Giffen, LL.D.

13 Feb. 1890.

and tariff charges, and things of that kind, which come directly before us. I may say, at least, that we have very few complaints at the Board of Trade of deficient consular action in foreign countries.

28,210. Do the reports of the United States consuls cover any more ground than ours?—I do not think so in substance. I have seen a great many reports which deal sometimes, I may say very largely, with special subjects. For instance, some years ago we had a very complete set of reports from the United States about wages all over Europe. A large set of volumes they made.

28,211. We get special information of that kind too if it is applied for, do we not?—Yes, we do. For all practical uses I must say that we have got a very great deal of that kind of information. I may refer to the information about wages which is buried in the appendix to the Report of the Commission on Depression of Trade. It is really most valuable information, and I think it is a pity almost that it was wasted in that form.

28,212. Do the United States consuls, for example, supply information about the hours of labour regularly in their consular reports or is it specially asked for?—I do not think that anything of that kind is done regularly.

28,213. You spoke about the institution of commercial museums, do you favour any grant of public money for the purpose or do you think it ought to be done by the chambers of commerce locally?—We do not favour the subscription of Imperial money. We think it ought to be done locally very much.

28,214. And that facilities only should be given such as we have heard of before?—Such as Professor Bryce speaks of in his memorandum. We ought to give facilities for that undoubtedly.

28,215. Such as Mr. Law, who is our commercial attaché, spoke of the other day?—I do not know what Mr. Law has said; but that is a matter upon which we have expressed our opinion several times.

28,216. (*Lord Basing.*) When these consular reports reach you from the Foreign Office do they come in print as we see them here, or in manuscript?—Sometimes we get them in manuscript and then they are published and are dealt with in the way you see here.

28,217. If in manuscript, I presume you get not the original but a copy?—Sometimes we get the original and then we have to return the original. Sometimes we get copies. Very often we get prints, which are really private, before they are published. The greater part of the consular reports which are published by the Foreign Office we do not get till they are distributed to the public

28,218. If there was anything to be withheld in consequence of its being of a political or diplomatic character, would that appear on the face of the document when it reaches you?—I do not think we have ever had any case of a political document coming to us which was not intended to come.

28,219. If a consul reports on political and diplomatic matters, he would do that in separate despatches?—It would be so, I believe, by the arrangement of the Foreign Office.

The witness withdrew.

Sir Thomas Henry Sanderson, K.C.M.G., C.B., called and examined.

Sir T. H. Sanderson, K.C.M.G., C.B.

28,220. (*Chairman.*) I think your proper title is Assistant Under Secretary at the Foreign Office?—Yes.

28,221. You succeeded, I believe, to the position Sir Philip Currie occupied before Sir Julian Pauncefote went to Washington?—Yes.

28,222. You take specially the American department, do you not?—The American department and the treaty department, which deals with affairs of extradition and nationality, and with treaties, and some other matters.

28,223. Is your general work and responsibility in the office mainly confined to the political work of those departments They are both political departments, are they not?—The treaty department is not what we call one of the political departments; it is not exactly on the same footing as the others. If you refer to page 7 of the Foreign Office List, you will see in what it differs from the other departments.

28,224. Have you anything to do with the general management of the establishment in the Foreign Office?—The actual management of the staff, properly speaking, belongs to the permanent Under Secretary—the head Under Secretary.

28,225. Therefore, with reference to the personnel of the various departments, you would not be in a position to give us any special information, would you?—Except so far as I have myself had considerable experience of it, having been 30 years in the office.

28,226. Then, perhaps, I might ask you, first, from your experience of the clerical establishment of the Foreign Office, whether you have any suggestions to make. I apprehend that you probably have heard the line which has been taken before us by Sir Philip Currie and others?—Yes.

28,227. Do you support the views that have been brought before us?—From what I understand of Sir Philip Currie's evidence I should be, I think, almost entirely in agreement with him. I think it very desirable that the staff of the purely political departments should remain on the footing on which it is now. As I understood, Sir Philip Currie was of opinion that for those departments which did not deal with purely political subjects, if there were lower division clerks who proved themselves qualified for promotion to some of the permanent places in them, that would be a very eligible arrangement.

28,228. Have you seen anything of the work of some of the lower division men who have entered under the Playfair system?—I have not had much opportunity of seeing it. I have seen their handwriting and so forth, and know of their work from hearsay, but I have not had any practical knowledge of them.

28,229. You are not able to say yourself, from your own experience from the working of any of the departments of the Foreign Office, to what extent you think it possible that these departments are over-manned by the higher class of clerks, to what extent the higher class of clerks are doing work which might be fairly done by men who come in upon the lower scale?—Are you referring to the non-political departments?

28,230. I am referring to the non-political departments at the present moment, certainly?—I am scarcely in a position to answer your question. The particular department which is under me, that is, the treaty department, contains only one lower division clerk. With that exception the department contains clerks who are called, for want of a better term, supplementary clerks. I do not think the department is in the least over-manned, and I do not think that in that department they could do with less of the higher class than they have.

28,231. I understand you to be of opinion that in the political departments properly so called, the staff ought to remain in a status much the same as they are?—Yes, I think so.

28,232. And that you think that selected names, and then competition supplies a satisfactory means for recruiting the department?—Yes, I think so.

28,233. You support Sir Philip Currie's evidence and views upon that point?—Yes.

28,234. I do not know that I need trouble you about the clerical establishment any more. In your department the consulate service in China, Japan, and Siam are included?—Yes.

28,235. As questions have arisen with reference to the consular service generally, we should be glad to know what your experience of that consular service is. It has been reported upon, more than once, as being a well organised establishment, and very efficient. Is that your opinion now?—Yes; I should have said so. Of course I speak with some diffidence, because I am a very new under secretary. I was only appointed in April last year, and therefore I have only a year's experience of the China consular service. Before that time it was not immediately under me, though as private secretary I heard a good deal about it. I should say it is a very efficient service.

28,236. I believe you have acted as private secretary to more than one Secretary of State?—Yes.

28,237. And, as private secretary, you have had a very good means of knowing something of all the departments of the Foreign Office?—Yes.

28,238. With reference to the China consular service you have every reason to be satisfied, as I understand?—Yes. I should say that there is every reason to be satisfied with it.

28,239. We have it in evidence already, but perhaps you will say how appointments are made to it. They are made by open competition, are they not?—Open competition for young men, I think, between 18 and 24. The men are then sent out to China, to Pekin, to Tokio, and to Bankok to study. They receive 200*l.* a year. At the end of the year they pass an examination. In Japan a certain additional sum, I think, is awarded if they pass their examination satisfactorily. In China there is a prize on the first examination.

28,240. At all events, open competition is the general principle?—Yes. There is another examination at the end of the second year, and that regulates their seniority for purposes of promotion to assistants as soon as any assistantships become vacant.

28,241. Then they remain within that service?—Yes.

28,242. And they have no future outside the consular service of China, Japan, and Siam?—No. Of course it would be possible for the Secretary of State to transfer them to some other consulate, but as a matter of fact they do remain there. Their experience is valuable, and one would not think of transferring them as a rule.

28,243. The consular service generally in the Levant, I believe, has been remodelled on a somewhat similar basis, has it not?—Yes.

28,244. Recently?—Recently.

28,245. Is that also, in your opinion, a satisfactory service?—I think that the new arrangement introducing that system is a satisfactory one, and that it works satisfactorily.

28,246. I believe it has only been in existence about 10 years, or something of that sort?—Perhaps as long; but not longer, certainly.

28,247. Have you any opinion with reference to the consular service generally. It has been suggested to us, in some quarters, that the services to which we have been alluding, are expensive?—They are undoubtedly expensive; they must cost money.

28,248. Without making any suggestions that the precedent supplied by those services should be applied to other consulates, suggestions have been made to us that consulships generally might be more of a graded service, and that younger men should be introduced with an opportunity of promotion within the profession rather than that it should be left entirely to a perfectly free method of appointing consuls as now exists; have you considered that question at all?—I have considered it; it raises great difficulties in detail, partly on account of expense, and partly on account of the great dissimilarity of the requirements of the different appointments. Those are the real difficulties; theoretically there would certainly be some advantage. The service, no doubt, is not graded, but I ought to say that, as far as my experience as private secretary goes, when any vacancy occurs, the Secretary of State has always wished, first of all, before making any choice of a person to fill it, to know what claims there are on the part of officers already in the service for promotion to it, or for transfer, if it is an advantageous transfer. He has always wished to know that, and it was always my duty as private secretary to consult the Under Secretary of State and the head of the consular department, and perhaps the head of the commercial department also, as to what consuls there were who were eligible, and a very large number of consulates of the better class, the more advantageous class, are filled up in that way by transfer.

28,249. (*Mr. Lawson.*) There is no rule in the matter, is there?—There is no rule; it is entirely at the option of the Secretary of State, but still it is done.

28,250. (*Chairman.*) Suggestions on the subject have been made, and I understand, in theory at all events, favourably entertained by some of the authorities at the Foreign Office; do you or do you not think it would be a good plan to introduce some such system if it be possible, or at least to consider how it could be introduced?—It would be very desirable to consider, but it is excessively difficult in practice, it seems to me, because the expense would be very large if you apply it to the consular service generally, and the difficulty of arranging a system of promotion would be very great. You have a small body of student interpreters in China, and they are all appointed to Chinese consulates, and for that purpose they require to know Chinese and to be in the habit of dealing with the local authorities in China. But the man who would do very well for a consulate at Dantzic would not at all do for a consulate at Erzeroum, or (as Erzeroum is in Asia), say, for a consulate at Carthagena. Equally for South America, a different class of man is required. Therefore there might be a great deal of difficulty, it seems to me, in arranging any organised system of promotion.

28,251. At the present moment there are certain consulates which are regarded as the prizes of the profession, I suppose?—Certainly.

28,252. So far as possible, is it the practice of the Secretary of State to promote men within the service?—Yes.

28,253. But with reference to the method of entry into it, it is entirely open to the Secretary of State, is it not, to appoint anybody whom he pleases?—Yes.

28,254. Subject to a limit of age; is there any limit of age?—Fifty years of age.

28,255. That is a very liberal limit?—It is a liberal limit.

28,256. Do you consider that there might be an improvement effected in the method of appointing consuls and might not such an absolute power to the Secretary of State be in some way or other limited or altered with great satisfaction to himself and to the consular service generally?—I do not think the Secretary of State would object. If the Treasury would consent to the expense—for I think that there would be expense—it would be possible, I suppose, to take another set of consulates and arrange for them a system similar to the China and Levant service, but I think you would still have to leave consulates outside that.

28,257. Leave some consulates outside it?—Yes; for instance, such as the consulate at Samoa. If you get a very large body of men to promote, well then it would do. You might find in it people qualified for all kinds of ports, although there would be difficulties and occasionally grievances, heart-burnings I suppose. But then it requires such a large body of vice-consuls in starting. There is also this difficulty about the position of vice-consuls, that a vice-consul is not considered by the local authorities to be of the same weight or standing as a consul, even an unpaid consul.

28,258. The scheme would involve the addition of a large number of paid consuls or vice-consuls, would it not?—Yes, paid vice-consuls or paid consular assistants, and that would be expensive.

28,259. Have you any reason to think that you could show arguments to the Treasury which would induce them to think that the change would be worth the money?—I doubt it.

28,260. I mean from the point of view of the Foreign Office and the point of view of the efficiency of the service which we desire to get from our consuls and from the obvious advantages which might attach to the system; do you think that the present condition of affairs as regards our service of consuls is such as would justify a large expenditure for such a change?—That is a rather difficult question to answer. I think the consular service as a rule now is a fairly efficient service, and I doubt whether merely for the sake of theoretical perfection we could show grounds for a very large expense.

28,261. Probably you would hold the view that it would not be much use making a representation to the Treasury?—Unless you have a very strong case to show I do not think you are quite justified in saying: "This would be a theoretical improvement, and we are "asking you to spend so many thousand pounds upon "it." One must show an urgent, or at all events, a very real necessity for it.

28,262. We come then of course to this point; apart from any theory and keeping to practice do you think that the country is efficiently served by the present arrangements as to consuls?—Yes, I think so, subject to the imperfections which attend all services. It occurred to me that possibly a rule might be laid down, in practice I think the rule does exist, that vice-consuls

Sir T. H. Sanderson, K.C.M.G., C.B.

13 Feb. 1890.

who enter the service will in time receive promotion if they do well. The vice-consuls who serve in consulates general, for instance, might be admitted by limited competition with prospects of promotion. But I doubt its being desirable to limit the power of the Secretary of State to make first appointments to consulates where special qualifications are required. He has that power in regard to the heads of diplomatic missions, and I doubt whether it would be desirable to limit it in cases of consulates.

28,263. Do you think that that discretion as to special appointments should be wider in the consular service than it is at present in the diplomatic service?—No, I do not think that it need be, but the difference is this: that whereas there are only a few heads of missions and there is a large staff under them, there is a great number of consuls and a very small permanent staff under them, there are very few vice-consuls serving directly under consuls. So that although in form the limit would be the same, in practice it is a large one in the one case and a small one in the other.

28,264. I do not quite understand about promotion of the consuls within the service. The evidence we have had already rather points to this, that the whole service is more or less on a level, and that has been one of the reasons why it has been suggested that a service more graded would give greater encouragement to men entering it. I am not saying that as my opinion or as the opinion of the Commission, but that is a point which has been put before us?—What I meant was that those vice-consuls who are appointed to serve under consuls, or under consuls-general—there is not a large number, but there is a certain number—should have the prospect of promotion given them. Practically they have it now I conceive, but I think that it should be assured to them.

28,265. (*Mr. Harvey.*) By a system of grading the service?—They are graded, they are vice-consuls.

28,266. How do you propose to assure it to them?—Simply by regulations to the effect that at the end of a certain time they would have to undergo certain examinations and that they would then be eligible for consulates whenever an opportunity occurred; you cannot bind the Secretary of State much more than that.

28,267. (*Chairman.*) Leaving that point, and understanding from you that you are in favour of maintaining the present system of limited appointments to the Foreign Office and to the diplomatic service, I should like to ask you what your views are about fusing more completely—as far as possible in fact—the Foreign Office and the diplomatic service?—I should be all in favour of there being every facility for the Secretary of State transferring from the diplomatic service to the Foreign Office any man who seemed to possess the qualifications for Foreign Office service and equally for transferring to the diplomatic service any member of the Foreign Office who possessed the qualifications for the diplomatic service. The qualities are different. There is another difficulty which is, that men who can very well afford to live in London at their homes and work in the Foreign Office cannot always afford to serve in the diplomatic service. Therefore it might be an absolute hardship at times to transfer a man from the Foreign Office to the diplomatic service, and the public service would not benefit by too sweeping a system of transferring men from the diplomatic service to the duties are Foreign Office because the work is different and the dissimilar.

28,268. It has been always kept in view, has it not, by the Foreign Office as well as recommended by former committees of inquiry, that the interchange of duties between the members of these different services should be as far as possible encouraged?—Yes, and I think that is undoubtedly an advantage.

28,269. In more than one of the great European States it is the case, is it not, that they are absolutely identical?—Yes.

28,270. Do you know how they get over the difficulties of expense, and so on, which you have mentioned?—No. In France, for instance, the staff of the Foreign Office is very large. I think it consists of about 202 or 212 men. They have, I fancy, what they call *attachés au Ministère des Affaires Etrangères*. Those are men who serve at the Foreign Office a certain time, and then go abroad. I conceive that the Foreign Office as well as the diplomatic service is considered in France a *carrière de luxe*.

28,271. Do you mean that when they go abroad they have extra allowances?—No; I think they are men who can afford to go abroad, and that a portion of the staff of the Foreign Office is manned by these men. There is a large number of them.

28,272. (*Mr. Lawson.*) You mean the *attachés payés* and the *attachés autorisés*?—Yes, they have a very large staff. When I spoke to one of their men here about the size of our office, he said, "Oh, what a small staff."

28,273. (*Chairman.*) Looking at the class of men who come in, of whom you have had now considerable experience at the Foreign Office, and comparing them with the young men who come into the diplomatic service, would you be able to say that there is at first much difference in their abilities or work?—I should not think there is a great difference. There is a great competition for the Foreign Office, and a larger number of men consequently are nominated to compete. There are generally nine, sometimes even more competitors for a Foreign Office nomination, whereas you have only five or six perhaps for an attachéship. In consequence the examination becomes harder. I should not say there was any great difference in them, only as men go on you will find that some of them develop in one direction and some in another. Two or three men who have come into the Foreign Office have shown themselves extremely able, but better adapted for the diplomatic service, and have actually been transferred to the diplomatic service. I have known other cases of men who are in the diplomatic service, and who, for personal reasons, wished to belong to the Foreign Office, and were admirably adapted to be Foreign Office clerks, and who have been so transferred.

28,274. Do you think that the expense of going abroad is a reason which really ought to prevail, and that the present state of things, namely, that the two services must be separated in the beginning, should therefore be continued?—I think so.

28,275. As I understand, the gist of what you have been saying to us is this, that you think the fact of *attachés* being called upon in a great capital to have rather more income than naturally can be expected from an official salary, really makes a great difficulty in a complete fusion of the Foreign Office and the diplomatic service?—I think it does.

28,276. (*Mr. Lawson.*) Might it not be managed as in other countries, by a process of natural selection in the way you indicated with regard to France?—If you made it a rule that no one should come into the Foreign Office who had not 400*l.* or 500*l.* a year of his own.

28,277. But there is no rule of that sort in France, is there?—I do not know; but unless that is the practice I do not know how they get on—I suppose they do not enter the service unless they have the necessary means. There is no actual regulation in England, but this is practically what the Secretary of State always does before he makes any nomination to the diplomatic service. He makes it known that it is not worth anybody's while—that they are sure to starve, in fact, if they have not got 300*l.* or 400*l.* a year of their own. That is always written to the applicants; when they write to ask for a nomination they are always warned that a private income is necessary.

28,278. (*Mr. Harvey.*) What figure is quoted in the paper, 400*l.* a year?—I said 400*l.*; I do not know whether there is any paper, but that was the sum that we as private secretaries were directed to mention. Of course there are some places where more would be necessary; at St. Petersburg, for instance, you ought to be able to make up 600*l.* or 700*l.* of your own private income.

28,279. (*Chairman.*) With reference to any further amalgamation of the consular and diplomatic services, you would probably give the same answer that has generally been given, that whatever may be the theoretical reasons it is very difficult to see how the thing can be carried out?—Yes. I see nothing to be done, except that there are certain consular posts to which it might be recognised that the Secretary of State might, whenever he thought desirable, appoint a diplomatic officer. That would, I suppose, occasion some unpleasant feeling in the consular service, but on the other hand it might also be said that there were certain posts to which consular officers might be promoted, as in fact they are, but I do not see any more positive way of asserting that.

28,280. (*Lord Lingen.*) I should like to ask you for your own opinion upon these points, and I will not trouble you to go into the details of them; you have

got three classes of clerks in the Foreign Office, what we should call the upper division, those that are in the diplomatic or purely political division, the supplementary clerks, who in five classes go up from 100*l.* to 1,000*l.*, and you have also got a certain number of lower division clerks. Now, as between the supplementary clerks and the lower division clerks, have you any opinion whether, as vacancies fall in the supplementary class, lower division clerks might be substituted for them?—I have no personal knowledge of the lower division clerks, and I can only speak from what I have heard in consultation on the matter. I should say that it is a point on which it would be advantageous that the Secretary of State should have a power of promoting, but I could not answer for it that there would be lower division clerks who were fitted to fill up some of those positions.

28,281. Supposing that the posts of librarian and sub-librarian in the librarian's department and of superintendent and assistant superintendent in the treaty department, those are appointments that go up from 550*l.* to 1,000*l.*, were kept as staff appointments; then do you think that the clerks who are under them might all be of the lower division and so get rid of the supplementary clerks as a class altogether?—In the librarian's department?

28,282. And in the treaty department?—No, I do not think so.

28,283. Then you think the supplementary class is necessary?—I think so.

28,284. What difference should you expect to find in the qualifications between the supplementary class and the lower division class?—Knowledge of languages.

28,285. Is a knowledge of languages required now of the supplementary class?—Yes.

28,286. Of more than French?—Yes, in the library. I do not know whether it is required in the examination for the treaty department, but they ought to know French well, and something more than French in that department; it is necessary.

28,287. Might we assume that every supplementary clerk knows at least one foreign language; everyone?—In the treaty department and in the librarian's department I should think certainly; and probably one language besides French.

28,288. Are supplementary clerks employed in any other department except those two?—I think there are supplementary clerks in the financial department.

28,289. Possibly in the financial department some of them do not know French?—Only French translation is required. A greater knowledge would not be necessary, I suppose, to the same extent at all events.

28,290. Supposing under the new state of things which is shadowed out in the Treasury Minutes that a lower division clerk, if he is a deserving person, may see his way clearly up to 350*l.*, would you not consider then that that was a class which, in the librarian's, the treaty, and the chief clerk's departments might serve for subordinates?—I do not think that the salary to which a man attains points particularly to his qualifications. I think that there might be men among the lower division clerks who would be fit, but I should not like to limit it to that.

28,291. I will put the question in this way. You would not see a fatal objection to filling vacancies, at any rate to a certain extent, and experimentally, in the supplementary class by the appointment of lower division clerks?—If they were reported by the head of the department to be fitted for it, I should be glad to see the vacancies filled in that way.

28,292. The result would be that they would come in by open competition?—Yes.

28,293. Do the present supplementary clerks come in by competition, or by a pass examination?—They come in by competition in the librarian's department.

28,294. (*Chairman.*) Limited competition?—Yes.

28,295. (*Lord Lingen.*) Is it limited competition for the supplementary clerks?—For the library the examination and conditions are precisely the same as for the establishment, but you do not get the same number of competitors, and consequently it is not so severe an examination.

28,296. That being the case in the librarian's department, is it also the case in the treaty department?—No; in the treaty department it is, I think, a pass examination.

28,297. Is the same the case in the chief clerk's department?—In the chief clerk's department I think it is a pass examination. I am not quite certain. It may have been altered.

28,298. There is no department of the Government in which in these subordinate departments there is so great a variety as in the Foreign Office. The fact that you have these supplementary clerks and lower division clerks constituting two completely separate services, is almost peculiar to the Foreign Office?—In the library practically, except that there is a difference of pay, and they are not transferable to other departments, they have the same examination and same conditions of entry as the establishment.

28,299. They do not get the same salaries?—They do not get the same salaries; they get less. That is a matter of economy.

28,300. You would not be prepared, I understand, now to say either pro or con how far it might be possible or advisable to introduce a greater number of lower division clerks in the place of supplementary clerks?—What I should have thought the desirable thing to do would be that there should be a prospect open to the lower division clerks now employed in the Foreign Office, if they were considered by their superiors eligible, of being promoted to the supplementary clerkships.

28,301. Admitting that, look at the overlapping of the salaries. The lowest division of the supplementary class goes up from 100*l.* to 240*l.*; then there is a class from 250*l.* to 360*l.*; then there is a class from 400*l.* to 500*l.*; another from 500*l.* to 650*l.*, and another from 700*l.* to 1,000*l.* Now the lower part of that class practically get the equivalent salaries, or something like it, to those of the lower division; it is only when you come to the highest classes that it would be much promotion to the lower division clerk on the new system to put him into the supplementary class?—But then it would destroy the promotion of the class he was passed into.

28,302. However, I may take it that that is a point upon which, excepting so far as the supplementary class gives a chance of promotion to the lower division, you do not see any absolute *primâ facie* objection to entertain the question?—Not to their promotion. I should be very sorry to think that the whole of the library was to be inevitably manned with lower division clerks without some means of ascertaining their fitness.

28,303. Proposing to retain both the librarian and sub-librarian in any case?—Yes, I still should not like to think that the other men were necessarily all to be lower division clerks without some particular test as to their fitness.

28,304. Then there are three departments, the chief clerk's, the librarian's, and the treaty departments which are worked now quite separately, and as far as I understood from previous witnesses, with little or no interchange of clerks from one into another; partly I suppose that is from the great variety in the classes of clerks that we have?—It is principally in consequence of the great difference in their duties. In the chief clerk's department the majority of the staff is employed in the examination of accounts; almost entirely so employed I should say. The library staff is employed in preparing memoranda, and registering correspondence. It is very important that the memoranda should be properly prepared, and that the correspondence should be easily available. The staff of the treaty department is employed in the preparation and examination of treaties, and the copying of them, and in dealing with the technical questions which belong to that department.

28,305. I was aware that their duties were extremely different; but the point that I wished to put forward was this: while men were in the junior classes would it not be desirable, I do not say for the convenience of the heads of those departments, but for the service generally that the men should be passed through those separate departments and get more or less a knowledge of all of them?—I do not think that the public business would profit by that.

28,306. You do not think so even in the junior stages?—No.

28,307. If a vacancy occurs, for instance, in the treaty department, you must bring a new man in from the outside instead of transferring him from one of those other departments which conceivably for the time

Sir T. H. Sanderson, K.C.M.G., C.B.

13 Feb. 1890.

might be over officered?—I would not prevent a transfer. As a matter of fact, the practice does exist at this time. The second in the treaty department was transferred from the chief clerk's department.

28,308. Then there is to a certain extent an interchange now among those departments?—There may be.

28,309. Supposing a man were taken in the junior stage, it could not be more inconvenient to take a man so far as the department which he enters goes, from another department in the Foreign Office than it is to take him from the outside. Do not you think that there would be a considerable advantage to the office if each clerk had passed a year or two at least at some time of his career in each of those departments so as to know what went on in it?—I think, as regards the treaty department and the librarian's department, that might be so.

28,310. (*Mr. Lawson.*) Would you say so of the commercial department too?—Yes, I think perhaps the commercial department too, as far as regards the lower grades. In the chief clerk's department you get men for the purpose of doing accounts, and I think I would almost rather have a man who had passed a proper examination from the outside come into the librarian's department than have a man who had been merely brought into the office for the purpose of studying accounts and who had never done anything else; he might do, but it is a question of the appointment of such a man being obligatory. Of course you might find a man who was admirably adapted for the work and transfer him.

28,311. (*Lord Lingen.*) Subject to the objections you have stated, there is occasionally as a matter of fact now an interchange of clerks among those departments?—Yes.

28,312. Or may be?—Yes.

28,313. Now to go to another point, did I rightly understand from you that there are any unpaid consuls now?—A large number of unpaid consular officers, mostly vice-consuls.

28,314. Are they allowed to trade?—They are allowed to trade.

28,315. Still?—Yes.

28,316. Then as to the grading, is not it practically graded in this sort of way: I have just taken down a few of the cases from Class No. 5, but I have not had time to go over them quite at length. I find a great number of consulships and vice-consulships from 100*l.* to 500*l.*, a somewhat less number from 500*l.* to 700*l.*, a very considerable number from 700*l.* to 1,000*l.*, and one or two over 1,000*l.* Now, if a man distinguishes himself in the lowest class so as to bring himself under the notice of the Foreign Office, would he have a good chance of being transferred to one of the more valuable consulships or would be kept in the consulship where he was to the end of his days?—It would depend so very much; a consul will sometimes prefer to be in a consulate in Italy with 500*l.* a year to being in a consulate in Porto Rico with 800*l.*

28,317. Suppose he wished to go to Porto Rico?—Then I do not know why he should not—practically that is what happens. The difficulty of classing them is that so many of the salaries are arranged according to the expenses, and the grading according to the salaries would be fallacious.

28,318. But the man who was at the 500*l.* a year place, if he was graded according to salaries, although 500*l.* is presumably all that the consular duties are worth at that point, on a graded scale he would go up to 1,000*l.* if he stopped long enough there?—Do you mean that he would be promoted in the same place?

28,319. What I asked was this: You say the man who has got 500*l.* a year at an agreeable and healthy station may prefer that to a place which is less agreeable and less healthy although the salary is 1,000*l.* a year?—Yes.

28,320. Supposing that this was a graded service, then without moving from his 500*l.* a year place, if I understand what is meant by a graded service, he would rise in salary irrespective of where he was; is that what you understand by a graded service?—I understood it in the way in which the diplomatic service is graded;—into embassies, and missions of the first and the second class, and so on.

28,321. Just so, it is graded *ipso facto* by the value of the different posts?—Yes, that is so.

28,322. That is what I wanted to come to; the consular service in exactly the same way is graded by the value of the different posts?—But what is the standard by which they are to be valued? It cannot be the mere amount of salary. The man who resides in San Francisco receives, I forget what it is, say 800*l.* a year.

28,323. (*Mr. Lawson.*) More, I think?—Say 1,200*l.* a year. I have been assured that that is not enough to live upon there without private means. Of course that is an extreme case.

28,324. (*Lord Lingen.*) I have not gone into the second column of allowances, but leaving these exceptional places out of account, I suppose it is not simply the cost of living which determines the salary of a consulate; it also is the importance of his post, at any rate to some extent; is that so?—That is so.

28,325. Then would the man who has distinguished himself at 500*l.* a year and who has not expressed this rather unusual preference for the 500*l.* to 800*l.* somewhere else have a chance, if he was a distinguished man, of being shifted by the Secretary of State?—Yes.

28,326. Not only a chance, but a probability?—A probability.

28,327. (*Lord Basing.*) As I understand, the junior diplomatic service is distinctly graded?—Yes.

28,328. And the young men entering have a certain promotion assured to them irrespective of their appointment to this or that or the other place?—Yes.

28,329. And that it is only when they come to have standing that they have to rely upon chance vacancies for further promotion?—Yes, that is so.

28,330. That is on the analogy, we will say, of the naval and other services?—Yes.

28,331. To go back for a moment to the question of grading the consular service, what I understand is this, that a man does not because he has got a consular service by time or by seniority or by standing, rise to a higher salary; that is the present state of things, is not it?—He would not in that same appointment.

28,332. Then it would imply a great change so to grade the consular service, that every man in it was entitled by standing and seniority and length of service to go forward by increments like a clerk in a Government department?—A great change.

28,333. An immense change?—Yes.

28,334. Are you satisfied, as far as your judgment and experience go, with the employment of consular agents without pay, putting aside the question of cost?—The question of cost seems to me an essential element. Of course in most cases it would be better if you could afford to have everywhere paid consuls, but it is the compromise to which one reconciles one's self.

28,335. In this service in the United States do you know what proportion of the appointments is paid and what proportion is unpaid?—I am afraid I could not express an opinion upon that offhand On reference the numbers are 15 paid to 22 unpaid.

28,336–8. The question of grading the service, and giving anything like a classification and the right to promotion and improvement very much mixes itself up with the practice of the department in employing unpaid service, does not it?—I do not see why the fact of there being an unpaid service should interfere with the other part of it.

28,339. Why?—Except in this respect; if you had a large number of paid vice-consuls you would probably wish to employ them in places where now we have unpaid consuls; it would probably be the only way.

28,340. It does not follow because you have an unpaid consul in a particular spot that you would, as time goes on, replace him by a paid consul even now?—No.

28,341. And *vice versâ*?—Yes.

28,342. Therefore, the practice of employing unpaid officers in this service, which is so widely spread all over the world, is very much mixed up with the feasibility of a graded service. It would be an enormous change to convert all your consular agents into paid servants?—Certainly.

28,343. And an almost inconceivable thing for any Government to propose?—Yes.

28,344. Therefore, as long as you have an unpaid service prevailing to so great an extent the difficulty

would be enormous of grading the consular service on anything like a principle which can be compared with that which prevails in a public department, say in this country?—The expense would be great.

28,345. Do you get fair service do you consider from these unpaid gentlemen?—I should think so on the whole. It is not always satisfactory, but generally speaking it is so.

28,346. Is it a common thing, if you find that the country is not served by unpaid service, to withdraw the appointments?—That would be resorted to in strong cases.

28,347. Is it as a matter of practice ever done?—Yes, it has been done.

28,348. Whether by appointing another unpaid man or by sending a paid officer?—Yes, one or the other.

28,349. (*Mr. Lawson.*) I am afraid your answers to Lord Lingen might be taken as rather misleading, because they conflict somewhat with the evidence of Sir Percy Anderson, who told us that in the consular service there is no ladder, and that the whole service is more or less on a level?—I can only say that promotion or transfer from one consulate to another is not an increase in rank, it is on a level in that respect; and that the relative salaries do not afford any reliable criterion as to the relative advantages of posts.

28,350. As a matter of fact there is no real grading of the service whatever; and as a matter of practice, I think consuls are not transferred from one place to another?—Pardon me, they are.

28,351. That is not the inference I should have drawn from the evidence we have had before?—If you will allow me I will read you out any one case taken at haphazard from the Foreign Office List. Henry Grant was appointed consul at Brindisi, transferred to Naples, and then transferred to Warsaw, that is three transfers. That is not a great number of transfers, but still that gentleman has been transferred and a number of gentlemen in the same way have been transferred.

28,352. (*Lord Lingen.*) I presume one consul does not spend all his life at one place?—Some consuls do.

28,353. (*Mr. Lawson.*) Would you go so far as to say it is the common practice to transfer consuls from one place to another?—I do not know that it is the common practice.

28,354. I know it has been done?—I should say it is a practice.

28,355. In many of those cases men are taken in, and of course sent to special places without any sort of examination, and with a very wide difference in regard to age?—Not often without an examination, only occasionally.

28,356. Do you believe that for the work they have to do we get by that system a good class of men?—Yes, I think so.

28,357. It is said sometimes that the failures of society are occasionally sent off in this way?—I do not think that there are many.

28,358. I mean men against whose character there is nothing whatever, but who have not succeeded in other branches of life?—I do not think that there are many.

28,359. But I presume that there have been some?—There may have been occasions.

28,360. Without respect to that, do you not think that it is a bad system that men should be appointed at an advanced age to a new kind of work?—If it is a new kind of work, and if they have not had anything of the kind before, it would be, but there are a great many posts to which it would not be desirable to send very young men.

28,361. You would not, of course, say that men should be sent over middle age?—No, I think not; it would be better to have rather younger men.

28,362. Do not you think, as in the case of countries like France and Italy, where there is a great number of paid posts, it would be possible to offer more inducement to zealous work by having some better system of promotion than now exists?—The difficulty is to think what kind of promotion it would be.

28,363. From the worse circumstanced to the better places—I do not use the word "paid" for reasons which you will understand?—My impression is that among the well-paid consuls in France almost all have been transferred from other posts; certainly, a great many.

28,364. Would the same remark hold good of the group of countries which you would include in the geographical expression of "Central Europe"?—To a considerable extent.

28,365. I can understand the difficulties of transferring a man from France to South America. Of course I do not know, but I should not say there was the same objection to transferring him from one part of Western Europe to another?—No. There have been a considerable number of such transfers, though I could not say positively that it was the general practice.

28,366. Now to turn to another point. May I ask you whether you believe that any disadvantage results from the separation of China and Japan in regard to its consular service from other parts of the world?—No, I think none; the service is so very distinct.

28,367. It is under you, of course?—Yes.

28,368. And the rest of the consuls are under Sir Percy Anderson's department?—You mean that the China and Japan service is not under the consular department.

28,369. Yes?—I do not think that any disadvantage results from that. When first that service was instituted the duties were even more political than now; but they still remain to a considerable extent political.

28,370. But they are hardly more political, I suppose, than the Turkish and Levantine consuls?—No, not much more.

28,371. Do you believe then that the present separation of work does not cause any confusion?—I do not think it causes any confusion.

28,372. In respect to the commercial reports do you issue the same instructions that are issued from the consular department to the consuls generally?—I think so. They send us commercial reports regularly, which are revised and published in the same way.

28,373. Revised by you, or revised in the commercial department?—I see them—by me.

28,374. I mean are they sent to the commercial department of the Foreign Office?—The Chinese department prepares them for publication, but the commercial department sees them and takes the final steps.

28,375. Is it done on the same system as in the commercial department?—Yes.

28,376. In the case of information for the statistical department of the Board of Trade, is that forwarded by you direct to them?—That would be forwarded by us direct to them; we should let the commercial department see it; it is a mere administrative detail. The letter would be written, but the paper would also go to the commercial department. Everything that comes in from China which refers in any kind of way to commerce is instantly communicated to the commercial department.

28,377. Do you think that there is sufficient cause now for keeping the China and Japan services separate from the other services?—Do you mean the receipt of despatches at the Foreign Office?

28,378. Yes?—I think there are reasons. They might of course have a consular series and another series, a political series; but that would be dividing their despatches into two series.

28,379. Is that done in the case of the Turkish consuls?—Yes.

28,380. If it is done in their case it might be done in the other?—It might be done, but I do not know that there would be any great advantage in it.

28,381. To turn to another subject; there is a paper handed in by Sir Philip Currie with regard to the conditions of admission to the French, German, Austrian, Italian, and other foreign offices and diplomatic services. So far as appears in that memorandum, in Italy alone is there any definite rule laid down requiring a property qualification; are you aware of that?—No; I have not seen that return.

28,382. It is hardly a return; it is a statement?—I should explain that there is no property qualification required here except in this way, that a warning is addressed to the parents that unless their son has private means he will be unable to get on.

Sir T. H. Sanderson, K.C.M.G., C.B.

13 Feb. 1890.

28,383. Might we suppose if you get a system of limited competition for the Foreign Office and the diplomatic service, a warning would probably serve the purpose that is required, supposing the services were amalgamated?—Yes. I should think so, except that what would happen would very likely be this, many people would send their sons in without the full amount of means, in the hopes that they would be kept at the Foreign Office or only sent to one or two comparatively cheap posts.

28,384. But where so much is known of individual men, as in a small office like yours, would any practical difficulty arise in working that out?—You might have a glut of men with small means.

28,385. (*Lord Lingen.*) Before this subject of the consuls is given up I should like to call your attention to this: I have gone roughly over the consulates in Class 5. I daresay these figures are not exact, but I am sure they are not very far wrong. Of consulates from 100*l.* a year up to 500*l.* there are 109; between 500*l.* and 700*l.* there are 38; between 700*l.* and 1,000*l.* there are 43; and over 1,000*l.* there are 11. I only want to be sure of your answer. I understood from you that if a consul greatly distinguished himself in one of those lower posts he would certainly come under the notice of the Secretary of State for transfer to a higher post unless the man himself objected to be transferred. I only want to have that quite clearly down that a man is not necessarily kept in one of those lower posts for the whole of his life?—I should certainly think that under those circumstances he must come under the notice of the Secretary of State.

28,386. (*Mr. Lawson.*) Supposing that that estimate includes the Turkey service, is it the case that anybody would be promoted from the Turkish service to any other, or from any other part of the service to the Turkish service?—There is no absolute bar.

28,387. Is it done in practice?—At this instant I should say that it was certainly open to the Secretary of State to do it.

28,388. The Turkish service is open competition of course?—Yes, but although the consulates are open to them as their prospect of promotion, and although it would be an injustice to those young men that any large number of those consulates should be appointed to from the other part of the service, still there is no bar to the Secretary of State's doing so.

28,389. Of course the Turkish service is a very expensive one and takes a good deal of money?—Yes. For an instance of which I said a moment ago, Mr. Abbott, who was Consul-General at Tabreez, was lately transferred to some post—in South America I think—but certainly to some post outside the Turkish and Persian service.

28,390. (*Mr. Harvey.*) With reference to your answer to Lord Lingen just now, during the time that you were private secretary to the Secretary of State for Foreign Affairs, when the question of the appointment to a valuable consulship was under discussion did you know of any instance of the claims of certain very meritorious vice-consuls or consuls in a less highly paid position being brought before the Secretary of State?—I think they always were.

28,391. Is there a system then by which the claims of the meritorious men are always brought before the Secretary of State whenever there is a vacancy in the higher paid posts?—Yes, there is a system; that is to say, the Secretary of State in all probability asks the question himself.

28,392. Of his private secretary?—Of his private secretary and very likely of the under secretaries.

28,393. And would the private secretary then consult the head of the consular department?—Yes.

28,394. Would it be his business?—It would be his business.

28,395. To find out the meritorious men who are occupying places, not so highly paid?—Yes, and the deserving men who are in unhealthy posts or disadvantageous posts.

28,396. I see that Mr. Kennedy expressed his opinion in favour of a modification of the present system in the direction of the service being more graded, and he also expressed the opinion that the posts might be classified and grouped in certain divisions. Would you from your experience agree with that?—I think it would be an advantage if you could obtain a proper standard for grouping them.

28,397. You have of course watched the effect of the system of open competition in the Levant and China services?—Yes.

28,398. Are you quite satisfied with that?—Yes. The only difficulty has been in the Levant service to get a sufficiently rapid promotion. We have been obliged to stop the appointment of student interpreters for the moment.

28,399. Therefore, so far as your experience there is concerned, you have nothing whatever to say against open competition, but you are rather in its favour?—Rather in its favour.

28,400. Having regard to the class of men?—Yes.

28,401. Would you say that taking the Levant and China men on the average they were a better class of men than those who entered the consular service generally; do you think you have got more marked ability in the Levant and China services?—I should say so, but I find it difficult to make a comparison as regards the Levant, for there has scarcely been time for the experiment to be tried. There are only 13 students and assistants, I think, and a few have been promoted. I do not think there have been more than 15 or 16 assistants and students altogether; some of them, I believe, are very good, and the general average is high.

28,402. (*Mr. Lawson.*) As you said that promotion was so slow in the Turkish service I suppose you would not promote men from other parts of the service and stop it still further; you would not care to recommend such a thing?—Not unless there was either an absence of a man particularly qualified for that post or some man did possess very peculiar qualifications for it.

28,403. Such as linguistic acquirements, of course, and all that sort of thing?—There are places where men of great judgment and considerable authority are required.

28,404. (*Mr. Harvey.*) As the regulation stands, I believe there is nothing to prevent the Secretary of State from appointing a young man of 25 to the most highly-paid consulate on the list?—I think it is over 25.

28,405. Well, over 25?—No, there is nothing to prevent that any more than there is to prevent the Prime Minister from appointing a curate a bishop. The Secretary of State might do it; that is to say, he might submit his name to the Queen.

28,406. (*Chairman.*) Have you any suggestion that you yourself would make from your experience of the Foreign Office on which you think a word from the Commission might strengthen the hands of the internal reformers?—I do not think I have any suggestion of sufficient weight to trouble the Commission with.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

EIGHTY-THIRD DAY.

7, Whitehall Place, Westminster, S.W., Friday, February 14th, 1890.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

Earl BROWNLOW.	Mr. J. CLEGHORN.
Lord LINGEN, K.C.B.	Mr. A. S. HARVEY.
Rt. Hon. H. H. FOWLER, M.P.	Mr. H. L. W. LAWSON, M.P.

Mr. H. WALPOLE, C.B., *Secretary.*

Mr. EDWARD FITZGERALD LAW called and examined.

Mr. E. F. Law.

14 Feb. 1890.

28,407. (*Chairman.*) Will you please state what is your position?—I was appointed commercial attaché for Russia, Persia, and the Asiatic Provinces of Turkey to reside in St. Petersburg.

28,408. That was a new appointment, was it not, within quite recent years?—It was.

28,409. How long ago?—About two years and a half ago.

28,410. What are your particular duties?—My duties are to collect information generally in these countries, which necessitates my travelling and visiting different centres of industry and ports, and to attend to such particular commercial questions as are specially brought before the embassies where I am attached.

28,411. You move about, I understand, according to where you have any intimation that you may discover anything that may be useful to British commerce?—I move about in accordance with instructions from the Foreign Office, but I have made suggestions frequently which, as a rule, have been accepted.

28,412. Then you have not got exactly a roving commission to go where you think you would be most useful?—No. I have been fixed as having my headquarters at St. Petersburg. I have, however, been more than half of the time away from St. Petersburg. I have visited the ports and centres of trade, and seen our consuls, and I consider it is an important part of my business to collect and collate their information—that is, in Russia and in Turkey. In Persia, I have only been once, and the circumstances there are different. What I have done has been making what I might call a tour of observation in that country, so as to form general ideas, because I do not think that before I went there anybody had made a distinct special study of what was going on, and how foreign nations were competing with us and in what articles, and so on. Then I report on what information I obtain.

28,413. How often do you send reports?—When I think I have got information upon a subject sufficiently conclusive to my mind to justify me in putting it into writing. When I am at the embassy I have a great many questions to deal with besides the more general reports and statistics, there are what you might call more detailed questions. Continually things are cropping up in which British subjects request the protection of the ambassador in commercial matters; ordinary commercial matters are generally treated locally by a consul (where a difficulty arises between a British subject and local authorities), but often either from the absence of proper consular representation, or from the fact of the local national authorities being unable themselves to settle questions, they come on to the embassy, and when I am there I undertake them. Sometimes they are very trivial; sometimes they are very important. For instance, a man writes that he has had a lot of silver jewellery confiscated because the Russian authorities said it was not up to the standard that it was stated to be, and which they demand that it shall be. Of course, to him it is an important matter to recover 40*l.* or 50*l.* worth of silver stuff, and that is a class of matter, which though not of general importance, when I am at an embassy, I have to deal with, and to get the authorities to look at in what we consider the proper light, and help this man to get back his jewellery.

28,414. From your experience of the office that you hold, and confining yourself first to that particular office, have you any suggestions to make to the Commission that you think would extend its utility?—I do not think it is possible for me to do all that I myself think I ought to do.

28,415. You are speaking now entirely of the district which you serve—Russia, Turkey, and other places in the East?—Yes.

28,416. Do you think you might have a colleague in the work?—It is a very difficult question how this class of work will be best provided for, but I simply state that it is impossible for me to get all the information for which I am continually asked, and as a matter of travelling also, it is equally impossible for me to do all that I think I ought to do. In the two and a half years I have travelled as much as I could, but there are immense districts and most important towns which I have never yet been able to get to. I have never been to Smyrna, which is one of the most important trade ports. I have not been to the Levant at all. I have never been able to get there, but I am very anxious to go there. Then I have not been to the Persian Gulf.

28,417. That rather leads me to this question: Whether you have anything to say about the sufficiency or insufficiency of our consular representation in the countries to which you go. As I understand, a part of your duties is to go round and see the consuls?—It has never been specifically laid down as to what my duties are, but it seems to me to fall in naturally with the general idea of my duties that I should see the consuls, and I do see them.

28,418. It would be a convenient way perhaps of taking it, if I asked you from what you have seen of the consuls, whether you have any suggestions to make which might improve the consular service?—About the consular service I have only one idea, and that is: that in so many countries it is absolutely essential that the consul to be of any use should know the language, and not only know the language, but that he should know something of the habits and ways of working of the people, that it appears to me to be a very great misfortune that men are liable to be moved promiscuously from any part of the world to any other.

28,419. Do you think there is too much movement among the consuls?—It is necessary for them to move in order to give promotion. The system in China and Japan, judging from the very little I saw of it, appears to work well, and my own idea would be that it should be developed elsewhere: that is to say, that countries should be grouped together which have some similarity, either close political and commercial connexion, or similarity in the language and manners of the people. I do not pretend to elaborate in detail how many groups there should be, but my idea is that the countries should be grouped in that way, and that a consul should enter upon his career in a particular group, and in that group should take his promotion. Then he would know something about the language as a matter of course, it would be his duty to know it, whereas now a man may be appointed to the south of Russia who does not know a word of Russian, and to my mind such a man is nearly useless when he gets there. The same with any man sent to Turkey if he does not know Turkish.

Mr. E. F. Law.

14 Feb. 1890.

28,420. But there is a special service in the Levant, is there not?—It is hardly developed; so far as I know, it is developing—I think it is working in the right direction. I think a point that should be distinctly understood is that North and South Russia are quite different. In South Russia the Russian language is absolutely necessary, but in North Russia, German will carry through nearly all our consuls.

28,421. Will that always be the case, do you think?—Yes.

28,422. Do you suggest that the consular service of South Russia, Prussia, and Turkey might be grouped?—My own idea is that the Black Sea, the South of Russia, the Caucasus, Persia, and Turkey could be most conveniently and advantageously grouped together. Though it is necessary sometimes to bring in special men for special reasons to special places (and I have seen myself where it was absolutely necessary); still, as a rule, I think that men should take their promotion in a particular group, that they should say: Well, now, I elect to go into that group, and I intend to learn the necessary languages.

28,423. Some of the evidence we have had from the head of the Consular Department of the Foreign Office rather pointed, I think, to this: that there was not a great deal of movement among the consular body?—I do not say that there is. I have never followed it, but there must be movement every time a man is promoted. At present, as far as I know, the particular point as to whether he has had any previous connexion with the country to which he is going, or whether he has not, does not come forward, and it cannot come forward in fairness to the man, because it is his turn for promotion and there is a post going.

28,424. Subject to that consideration, from your observation, are you able to say whether you think that this country is fairly well served by its consular service?—I think, on the whole, exceedingly well served; sometimes remarkably well. With reference to what I was saying of the Black Sea, at this moment, as far as I know, there are only two men who do not speak the language, so it is not a crying evil. At the same time, when I am asked what I think would make the whole service work more smoothly, I think it is such an arrangement as I have suggested. There is a great difficulty in finding men for Persia now. We are likely to want men for Persia. As an instance of the present difficulty, I may mention that a gentleman has just been appointed to Resht who knows only the Persian language. Now, to my mind, Resht is a place where the Russian language is quite as important a language as the Persian, although Resht happens to be in Persia, but there is not, I believe, a man who does know the two languages.

28,425. I suppose you have had an opportunity of seeing some, at all events, of the consular reports which have been sent home?—Yes, and they are often of great value.

28,426. Do you get them after they have been published by the Foreign Office at home, or before?—As they are printed they are all sent to me.

28,427. From your knowledge of what you have seen of the trade of the countries you visit, would you endorse the opinion which we have heard stated generally that these reports are very valuable, and have become much more valuable in recent years?—I cannot say anything about their having become more valuable, because I never looked at them formerly, but I find them very valuable to me in connexion with my work, and the opinions I have heard from the people I have seen, and from Chambers of Commerce, and so on, is the same they find them very valuable. Of course they vary very much, just as one man's capacity varies from another's, but on the whole they are certainly of great utility.

28,428. I presume you have had many communications with Chambers of Commerce at home, and that you have also had communications with their representatives in Russia and the East?—Yes.

28,429. What is the result of those communications; have any suggestions been made to you in that way?—They very seldom make suggestions to me, but I have made a suggestion to them. I say that what we want is, that with regard to our reports, they should not be made at haphazard, but that the Chambers of Commerce should guide us as to what they want. At a meeting of the London Chamber of Commerce a gentleman, as it were, reproached me because they had never received a statistical report upon the production of iron in Russia. I said it is my fault, if anybody's, certainly you should have had it if you wanted it, but, on the other hand, why was I not told you wanted it. I want to know what is wanted. One may very often do work which is really not of particular importance, and omit things of greater importance. One wants guidance in those matters.

28,430. Would not the proper way be, if the Chambers of Commerce desired any information of that sort, to put themselves into communication with the Commercial Department of the Foreign Office, who would instruct you?—I distinctly consider so, but the whole thing is rather new. The greater attention shown by our consuls to these matters and their capacity for dealing with them is new; the foundation of Chambers of Commerce is new. I think it will gradually work out; I think it requires to be encouraged, and that the Chambers of Commerce want to be made to understand that the Foreign Office will work on their suggestions in these matters.

28,431. What is your relation particularly with the consuls; have you any kind of jurisdiction over the consuls?—None whatsoever.

28,432. Then the consuls say, in Russia and the particular regions to which you are attached, do not in any way whatever take any directions or instructions from you?—None whatsoever.

28,433. Then any instructions to them from the Foreign Office do not pass through you?—No.

28,434. They are entirely independent of you?—They are entirely independent. I have found the consuls most willing to collect any information I have asked them for. Those whom I may know intimately I may ask privately; but, as a rule, if I want any information, I ask the ambassador to write and direct the consul to furnish it. I would like, if I may, as I understand there has been some question on the subject, to try and distinguish between what I consider to be my duties and the consular duties.

28,435. Yes, if you please?—I have never been in the consular service, but I have acted as consul, and I know their duties. I look upon the consular duties as being purely local. They may be local, as confined to a port, or local in some countries as confined to a district, but they are local, and the consul has to do with the local authorities only. I have nothing to do with such local questions as can be arranged between the local consul and the local native authorities, but once a question is of such a character that they cannot arrange it between themselves, and it is referred either from our consul to the ambassador, or from the local authorities to the ministries at the capital; then always assuming that it is a commercial question, it comes within my function to follow it up with the head authorities, acting under the instructions of the ambassador.

28,436. Supposing that to be your duty, how are those duties performed where there is no commercial attaché; take Berlin, for instance?—There is a commercial attaché for Berlin. There was formerly one commercial attaché for the whole of Europe—Mr. Crowe.

28,437. Does Mr. Crowe take Berlin?—Yes.

28,438. (*Mr. Lawson.*) The whole of Western Europe, I think it is, is it not?—He had the whole of Europe until some of the countries were told off to me.

28,439. (*Chairman.*) Mr. Crowe's residence is in Paris, is it not?—It is in Paris, but to answer your former question, where no commercial attaché is present the secretaries to the embassy have to deal with commercial matters. I must point out that they very often are in a position of disadvantage, from want of knowledge of commercial questions, and they cannot deal so readily with this class of work.

28,440. Following that out logically, are you able to say whether such an appointment as yours might be usefully extended, and whether there should be an increased number of commercial attachés as distinguished from men who do not specially look after commercial affairs?—I think there might be distinctly, but I do not think there ever could be a sufficient number—at least, I do not think there ever would be a sufficient number of thoroughly competent commercial attachés appointed at what they would require as salaries to really cover the whole ground. My own suggestion, if I may make one, is on rather a different line. At the present moment, allowances are given to

diplomatic secretaries for knowledge of special subjects. I do not see why commercial knowledge should not be included. There are always, I should apprehend, sufficient men who take an interest in commercial things, so that in every embassy, one of the junior secretaries—a second or third secretary—might specially undertake commercial work, and get an extra 100*l.* a year for it, as he does now for a knowledge of the local languages.

28,441. Possibly, but would you think also that it might be desirable that when at home or in the Foreign Office they might be attached to and pass through the Commercial Department of the Foreign Office?—I think it would be advisable. I should have them recognised as men who had specially qualified, were accepted as being capable of conducting commercial matters. I think they should either go through the Foreign Office Commercial Department, or work in one of the larger and busier ports abroad in a big consular office; that would give them some insight into business matters, which I think would enable them to perform their commercial duties.

28,442. (*Mr. Lawson.*) May I ask whether that is done in any of the foreign diplomatic services?—No, I do not think it is.

28,443. (*Chairman.*) Have you had an opportunity of comparing the kind of work which is done by foreign consuls for other countries with that which our men do? It is a comparison which is often made in various quarters?—Yes, to a certain extent; but might I continue the other subject for the present——

28,444–5. Certainly, by all means take it in your own way?—I do not think that two officers could possibly do for the whole world; but it seems to me that a very limited number of roving commercial attachés could satisfactorily cope with everything which to my mind it is at all desirable should be done, provided that they had steady help in every embassy from men who were specially attending to commercial questions. When I leave any post at which I am, I do not know when I go back what gentleman to ask, in order to learn what has happened in a particular case. One man may know a bit of it, another man may know a bit of it, and the man who knows most about it may have gone away or may have been removed. I cannot keep a steady current of attention, as it were; it is not possible.

28,446. Is there a growing attention being given to this want in the embassies abroad; do you think the mere fact of your existence is of advantage in that direction?—As regards the embassy to which I am attached, it is.

28,447. You mean that the attention devoted to these subjects has increased in consequence?—Yes. I do not know how far my idea would be acceptable or otherwise. I have thought a good deal about it, because I feel that I cannot do, and have not the opportunity of doing, all that I think might be done with advantage. The idea I have come to is, that in every embassy there should be a secretary who has shown special competence for commercial work; that he should receive an extra sum per annum for having been accepted as fitted to do that work, and that he should specially keep to it. Then when I am away, there would be a man to whom I could refer. When I am away for a week or so, as I am now, I could write to him, and say how is that case getting on, or he could write to me and say such and such is being done. Now when I leave there is a break, and everybody, I think, knows that in commercial matters that sort of break is very disadvantageous.

28,448. Mr. Crowe, I think, has exactly similar duties for the rest of Europe as you have for Russia, Turkey, and Persia?—I believe so.

28,449. Have you any other points that you would like to bring before the Commission? We should be very glad to hear your opinion upon any subject connected with the consular service, or with your own work.—As regards the consular service, it appears to me that in some very important places, we are not properly represented, and that we are not represented as other Powers are.

28,450. Do you mean that there are places where we have no consuls, or that we have consuls of an inferior rank and position in some places where we ought to have a bigger man?—Precisely so. I presume that the Treasury does not give the money; in fact, I pretty well know it is so. There are ports that grow into existence and become of immense importance, where large numbers of our ships go. There is, for instance, the port of Libau, in Russia, which has grown within my knowledge. I cannot say, offhand, how many British ships go there, but I suppose a couple of hundred go within a year. The allowance to the vice-consul there is 10*l.*, and no man could do the work there for that. The actual pen, ink, and paper that is required at that place is worth the 10*l.* note and more.

28,451. Then would you say that the consul there practically does not do the work?—There is no specially qualified man to do it. We had a man there whose affairs I was sent down to report upon, because he got into trouble with the local authorities. He was a very worthy man, and did his best, but he was not really qualified for so important a post. Not being a trained official, he made a grave official mistake.

28,452. Do you think that observation which you make is true to a very large extent?—I think it is. I think that the whole thing requires watching, and that there should be special reports made upon the variation of circumstances, because although I know places that have grown, other places undoubtedly die away. In some places you want to appoint a new man, and you want to give a larger salary; and in other places it might be quite possible that you might reduce the salary. I am afraid that the tendency of the general development of everything would certainly be to increase; it is sure to be; but still there may be reductions as well as increases.

28,453. (*Mr. Lawson.*) In a case of that kind, would you make any recommendation to the Foreign Office?—I should tell the ambassador. Take another instance: Moscow is considered a very important place by the other European countries. I have made a note here of the salaries given by Austria, Germany, and England, to their consuls there. In Moscow, we give a trading vice-consul 80*l.* a year. The Austrians give a consul 670*l.*, and a vice-consul 235*l.*; and the Germans give a consul 600*l.*, and his clerks 480*l.* I do not wish to give a wrong impression, and with regard to that 480*l.* I may explain that there are very many German subjects who are artizans, and that sort of people, on whose account clerical assistance is required to an extent that we do not want in a place like Moscow; so that the clerical assistance at 480*l.* is not a thing which is at all needed by us; but still it is a fact that we, in the most important commercial centre of Moscow, have only got a trading vice-consul at 80*l.* a year.

28,454. Fee allowances?—Yes; that to my mind is disastrous. I cannot call upon that man to give me any information I want unless he chooses to give it, and has the time to do so.

28,455. (*Chairman.*) Should you say from your knowledge of Moscow and the surrounding district, that British trade there suffers from the absence of a better paid man?—I think it certainly does. We do not get such reports or information as we otherwise might, and our consular representative is not in the position to assist the number of English who are there as operatives, mechanics, and foremen, in the same way in which his German or Austrian colleagues would be; he has not the same status as a *consul de carrière*. Helsingfors, again, is a place with which we have got a good trade; much larger than Germany. The Germans have a consul, there at 750*l.* a year. We have a vice-consul whose salary, I believe, has just been increased to 300*l.*: but it is down in the Foreign Office list at 150*l.* The Austrians have no consul there. It is quite unnecessary that they should have, because they have absolutely no trade and no shipping there.

28,456. (*Mr. Lawson.*) 300*l.* and office expenses?—Altogether, I believe, he has got 300*l.*

28,457. (*Chairman.*) As I understand, at Helsingfors the Germans have less trade than we have, and yet they have a consul at 750*l.* a year?—Yes, that is so. Helsingfors is the capital of Finland, which up to now has been, you may say, semi-independent. They have got their own legislative assembly, currency, customs, administration, newspapers, and everything else.

28,458. Is there any other point on which you would like to make any suggestion?—I do not know that there is.

28,459. (*Mr. Lawson.*) As a matter of fact, when you are on your circuit, going through the different countries to which you are appointed, do you make special arrangements with a particular secretary to

Mr. E. F. Law.
14 Feb. 1890.

the embassy or legation to carry on your cases and official work?—I have done so, but I find that he may go on leave or be moved, and that he has no special object in attending to this more than anybody else, and as it merely means his taking a large share of the work gratuitously to himself, he is not necessarily very keen about doing it.

28,460. Do not you get assistance from the ambassador, I mean, would not he say, "Oh, So-and-so must "take the work"?—Yes, but it is impossible for an ambassador to follow out daily details.

28,461. As a matter of fact, it would be, I suppose, not only exceptional, but impossible, to find a secretary who would have really had experience of commercial work?—I think it would be quite impossible. Of course, some have a natural taste for it. Some men would do it perfectly, if they had a little special training and encouragement to stick to it.

28,462. I believe they do send home commercial reports of general interest occasionally?—Yes, occasionally, but those are more, as a rule, reports upon such things as technical education, agriculture, and forests, and so on.

28,463. Matters relating to commerce, not strictly commercial, you mean?—Broadly, but not strictly commercial.

28,464. It is said, I do not know with what truth, that in matters of this kind, they are prone to get crammed for the purpose by some expert in the place, rather than to examine it in an independent way?—They have very little opportunity of examining independently. I have, myself, assisted gentlemen in doing that sort of work.

28,464*a*. What opportunity have they for doing this work?—They can get official publications, and they can ask for information from one or two people whom they may know. There is nothing else they can do; there are no other means they can adopt.

28,465. I have, myself, remarked at the embassies that a report read as if it was very ably drawn up, and I was told, "Oh yes, you can see in what way it has "been drawn up, these reports are simply a scissors "and paste collection of other men's opinions"?—The report is very often a précis of some official publication.

28,466. Or else, I suppose, based upon information supplied by an interested person?—No.

28,467. Then I will not say an interested person—by an expert?—Very rarely. I do not think that the experts would have the opportunity of coming to a secretary of an embassy and inducing him to write a report for their benefit. I do not think that that would occur. But I have not the least doubt if a man is only dependent upon official information, and has no general commercial knowledge, and if he then goes and asks someone whom he looks upon as an expert, that his report would be, of course, very liable to be coloured by the particular view which that man wishes him to give.

28,468. Do you believe that if an obligation were laid upon every attaché to pass a certain period of time in the commercial department of the Foreign Office, he would gain very much?—Some of them would gain nothing, some of them would gain a great deal.

28,469. You mean that it would depend upon the man?—The man who had a taste for it, who had any desire to get on in that way would gain immensely, but many of them, no doubt, would be of no use in that respect, and they have other functions entirely different to perform.

28,470. What period of time would you think sufficient for the man who shows aptitude for that?—It depends upon the man himself very much.

28,471. Supposing you had to say, would you recommend that he should pass six months or a year in the Foreign Office?—I do not think six months would be of any use.

28,472. Would you say a year?—At least.

28,473. At the present time every attaché does spend a year, I believe, in the Foreign Office?—He spends his time in the Foreign Office simply copying despatches—it is necessary work, undoubtedly—in order to get him into the general way of how those things are done, but he does not do any work in the sense of having to use his brain when he is there. Commercial work can only be learned in the Commercial Department.

28,474. Do you think that in the preliminary examination it would be possible to introduce any fresh test that would require a man to devote some little time to subjects cognate with commerce before he came up?—No, I do not. I think it would be exceedingly difficult to devise any preliminary examination which would test a man's commercial ability, but if a man is going to pay special attention to that work, I should, after some training, try very hard to do something of the sort. I should make him give a précis, for instance, of commercial information. It would be difficult to give him an examination, but I certainly should try to do something to test him. As a matter of fact, when a man is taken into a business office he is never put through a competitive examination; that is the last thing that a business man would do with him.

28,475. Have you always found, among our consuls where you have been, a readiness to afford you all the information they had?—A perfect readiness and the greatest goodwill in every possible sense.

28,476. Then the relations between the consular and the diplomatic services, so far as your experience goes, are very satisfactory?—First rate. I think that the consuls sometimes have a feeling of disappointment in regard to their reports, which some of them have laboured at very conscientiously and have really taken great trouble about. They never realise that they are appreciated. The consul simply sends them on; they are printed, and appear in print, but the consul very often feels disappointed. They have told me so. They do not know whether they have done themselves any good by their work, and they do not feel any confidence that they have been appreciated. If you ask me the question, and I try to find something wrong in what is going on, that is absolutely the only thing I can possibly say.

28,477. Does that spring in many instances from the absence of any real chance of promotion?—No, I think it is that the consular reports go direct to the commercial department, and there is such a number of them sent in, that if polite letters had to be written about every one you would have to keep several men specially doing it.

28,478. I suppose polite letters are written to the secretaries of the embassies when they send in able reports?—No, the ambassador would see the report, and the secretary of the embassy is there beside the ambassador, and if the ambassador thinks it good he not only compliments him upon his work but he writes a despatch, and says that he encloses Mr. So-and-So's very valuable and highly interesting report, and the gentleman whose report it is, does thus receive that little encouragement which I think the consul would like to receive.

28,479. You yourself, I suppose, see something of the Turkish consular service?—Yes, something, but so far very little.

28,480. Do you think on the whole that the class of men which open competition in that service is bringing in is the class of men which you would like to see occupying those places?—I should not like to express a general opinion, because I have not yet seen enough of them, but I should fancy it was.

28,481. In Persia, to which I see you are appointed, the consular service is upon the general footing, and there is no competitive examination, is there?—I do not know. I have understood that the institution at Constantinople was expected to furnish men for Persia, but up to date it has only furnished one man.

28,482. I see there are three consuls in Persia, is that the consul at Resht?—That is the consul at Resht; he has just moved from Tehran to Resht.

28,483. Do you believe on the whole that you do better and that the public gets better information where you have these consuls than where you have the ordinary commercial consuls?—Yes. From the ordinary commercial consul you get simply nothing unless you ask him. The other man always hopes that his report may do him some good. The man who is simply a commercial consul never sends you a report unless you specially ask him, and then it is a favour.

28,484. You said you were in favour of grouping countries for the purposes of the consular service?—Yes.

28,485. Then you would have promotion from post to post within each group?—Within each group.

28,486. Not outside, of course?—Not outside, but the groups must be made sufficiently large, because if you cramp them too much you absolutely do away with the promotion.

28,487. What is called the scale or ladder, then, would be geographical within the group?—It need not necessarily be geographical. Take, for instance, the Spanish language. Doubtless the Spanish language would jump across from Spain to South America; certainly, if you put Spain and Portugal and Italy together, you would then jump across to South America.

28,488. To Mexico too?—Yes.

28,489. Language should be the basis of the division?—Language and political and commercial connexion. Now there is no connexion between the Turkish, Persian, and Russian languages, yet I would put those three together for obvious reasons—they are all mixed up together.

28,490. (*Mr. Harvey.*) Politically, do you mean?—Politically and also commercially. A good deal of the trade to Persia is passing through Turkey and through the Caucasus.

28,491. (*Mr. Lawson.*) Do you believe that as commercial attaché you yourself get as readily at the commercial man as the consuls, because I heard that questioned by one of the witnesses?—The commercial men in a town where I do not live, of course, I do not get at as readily as the consul who does live there and may know them personally. But I am speaking of the natives, the resident British merchants I found, wherever I went, were delighted, the moment they heard I was there, to come to me and tell me all their grievances and desires. With regard to local questions, when I get on the spot I am greatly dependent for what I call local information on what the consul tells me. Then, in addition, I may have, and probably should have, an introduction to a banker, or merchant, or one or two people, and I receive them.

28,492. Then there is no diplomatic etiquette that prevents you doing so?—No.

28,493. You gave a lecture the other day before the London Chamber of Commerce, in which you advocated, to a large extent, I think, the idea of commercial museums?—I rather meant it to be the other thing, and to object to making an exhibition, which I have an idea that they are going to do, by collecting all sorts of things. I urged that instead of that, what I believe we want is a collection of samples, which should be constantly changing—not to litter up a place with a lot of dead stuff, such as you often see, but to have every novelty. I do not care what it is, whether it is a new plough or a new potato, but let it be shown for a short time and well brought forward, and then out with it.

28,494. Of course, we have nothing to do with independent bodies, such as chambers of commerce; but with regard to the Foreign Office and the diplomatic service, what particular assistance do you think they should render to British commerce?—I think the closer their connexion is and the more they see what our people are doing, the more commercial men acquire confidence in the desire and ability of the Foreign Office to work for them, if they would say what they want, the better.

28,495. Suppose they ask for certain information?—If they say we want reports of such and such a thing, the consuls should be instructed to make them.

28,496. And the same if they ask for samples?—Yes; but I must say that chambers of commerce on their side do not give all the encouragement to our labours that one might expect. I sent home any number of samples which I had collected with considerable care, priced, and so on, and I have never had (except from the Dundee Chamber of Commerce about some jute which I found on the Caspian) a single communication from any of them, good, bad, or indifferent, or saying we like to receive these, or we want to know more about the other. Well, that does not encourage one very much.

28,497. (*Mr. Cleghorn.*) Your headquarters being in St. Petersburgh, am I to understand that when you go out you are sent out upon a special question to visit a certain place, or do you go there periodically, or how do you manage your journies?—It is purely accidental, according to what appears necessary. We have had a great many questions about the difficulties of port regulations in Russia. Those difficulties were most noted in the Black Sea, and, consequently, I went round all the ports of the Black Sea and saw all our consuls, and the shipping people there, and the local authorities.

28,498. Did you go out there at that time in consequence of those special difficulties having cropped up?—Yes; but I cannot be in as many places at once as I ought to be. I should like now very much to be able, as far as that question is concerned, to go again, because certain changes have been made, and I know it would be very useful if I could go and follow up exactly what actually has been done, and see that the authorities have done what we have been told has been done, because perhaps the local authorities have not fully carried out instructions. It would be very useful if I could do that.

28,499. You would like to go back and see the result of your previous visit?—Exactly.

28,500. Then you do not go out, as I understand it, on a tour of inspection at a certain time of the year?—No.

28,501. You only go out from St. Petersburgh when there is something special to call you?—I equally am supposed to go to Teheran. I went to Persia, and when I had been a couple of weeks there I saw that to arrive at anything I must make a tour through the country. Well, I visited all the principal towns in North Persia, and I went into the bazaars, and so on. That was not in any way a definite plan laid out beforehand. I was simply told to go to Persia—to Teheran. I went there, and when I was there I suggested to Sir Henry Wolff that it would be a proper thing for me to do, and he agreed, and then I made that journey. I should like to do the same in South Persia, but it is a mere question of the possibility as to time, as it is impossible to be in so many places at once.

28,502. Then, as I understand, you think your district or territory is much too extensive for one man to overtake?—Quite impossible.

28,503. Therefore that explains an expression that you made use of in answer to the chairman that it was not possible for you to do what you ought to do?—What I think ought to be done.

28,504. That is the explanation?—That is the explanation.

28,505. Your boundaries are much too extensive for one man to possibly overtake?—Yes. I must point out that supposing in the course of five years I had been round to all those places and had made the acquaintance of the different consuls, and had had an interchange of views with them; and also supposing that there were secretaries at the different embassies with whom I was in steady communication; then when once I had covered the whole territory, I do not say that I could then do the whole of the work perfectly well, but I think that perhaps I might do it fairly well. I have been two and a half years at my post, and I am continually kept at the embassies for things which have to be attended to, but which are, perhaps, minor questions. As an actual matter of travelling, it would take me five years to study all my districts for myself—and I started with the great advantage of knowing Russia beforehand.

28,506. Then, in fact, your work is necessarily very imperfectly done?—Well, I do not attempt to deal with every question, there are many which I have not touched.

28,507. Which are beyond your physical powers?—I have at the present moment made no report whatsoever upon South Persia, because I have not been there; and I have made no report whatsoever upon the Levant, because I have not been there.

28,508. Then, in fact, it is physically impossible for one man to overtake the work?—Physically impossible. I do not think that I am in any way expected to, and I certainly have not attempted to give any report or any information except what I was sure of; but if I know about Russia, I know I can report about Russia. What I know about Persia I can report on, but I know that I should have to leave out South Persia. If I have been on the Black Sea coast and Asia Minor, as I have, I can report about them, but I cannot report about the Levant, I have not been there, and I know nothing about it.

28,509. You only report upon places where you have actually been?—Yes.

Mr. F. F. Law

14 Feb. 1890.

28,510. And upon what you have personally investigated?—Yes.

28,511. You have referred to Moscow, where there is vice-consul who gets 80*l.* a year?—Yes.

28,512. Is he an Englishman?—Yes, the present consul is; the previous occupant of the post was a Swede.

28,513. Is he supposed to be under the jurisdiction of the St. Petersburg consul?—Yes, he is.

28,514. When you go to places like Moscow or Libau or any of those other places which you have referred to, what is the course you pursue? Do you first of all go to the consul or the vice-consul of the place and put yourself in communication with him?—Yes.

28,515. What further do you do?—It depends on the object. If I simply want to know about the general business of the place—I have been in business in Russia myself——

28,516. That anticipates a question I was going to ask: where you got your commercial knowledge?—I had been 13 years in business. I was in the firm of Messrs. Hubbard, of which Mr. John Hubbard, who became Lord Addington, was the senior partner.

28,517. I see you were in the artillery service?—I was.

28,518. And then you were in the commissariat in the Soudan?—I was called out as a reserve officer. I was in business for some years and was called away from it, and that led me to go back to the Government service. I went out unexpectedly and had to leave my business.

28,519. You had previously got your commercial qualifications and knowledge?—Previously.

28,520. Of course that gives you an immense advantage in the post you now occupy?—Frankly, I do not think that I should have been of much use in the post if I had not had the advantages of some such training.

28,521. Therefore, any gentleman who was without similar experience and knowledge would be of comparatively little use?—I do not say that he should have a similar experience, but somehow or another he must have got some general business understanding.

28,522. Would you say that that must be acquired in a business office, and that no term of service in the Foreign Office simply would be of much avail?—I would not say that service at the Foreign Office would not be of much avail, but I do not think it would be equally good. So much depends upon the man. Some people have a natural inclination for business things and some people might go on for ever without acquiring it.

28,523. At Libau the vice-consul gets 10*l.* a year, and he is under the Riga consul?—He is.

28,524. Has he much to do at Libau?—Yes.

28,525. Will he have to refer continually to Riga?—As a matter of fact, he cannot, because questions have to be settled immediately, and it is two days' post there, and it is two days' post back.

28,526. Is he an Englishman?—The present occupant is an Englishman. The man who left the post, having had a row with the officials, was a Russian subject of English origin.

28,527. I suppose, as a general rule, you would prefer an Englishman always to represent England?—Certainly. I might have mentioned another place where we have, as our shipping people here will tell you, very important interests, and that is Revel. At Revel, I think, we give 20*l.* a year. I suppose there are 200 or 300 English ships a year visiting Revel.

28,528. To go back to what I was pointing to before, after you open communication with the consul or vice-consul, and talk with him, do you visit the merchants?—It depends; the situation is so different in different places. In most of the places in Russia I have, by this time, connexions of my own.

28,529. In Russia?—Yes. In almost every place in Russia which I have to go to.

28,530. That is to say, you have made their personal acquaintance?—Yes. After seeing the consul I would go and see the native people—the Russian people; there are not many that are worth seeing for my purposes, in fact, very few, but I would go and see those that were. Then I would either ask the Englishmen to come to me or would go to them.

28,531. Do you mean the Russians who have trading connexions with England?—Not necessarily I wish to know how business in general is going on.

28,532. Then you do not confine yourself to merchants who trade with England?—No.

28,533. Who trade either to or from England?—No. I want to know generally how things are going on, just as one would on the Exchange ask what was going on.

28,534. Do you, as a necessary part of the inquiry, see all the English merchants of any importance, or the shipping agents?—At the ports, I have asked the consul to inform them that I was there, and to arrange with them to come and meet me, and have offered to put my time entirely at their service whenever it suited them best. I have asked them to come to me, but to fix their own hour.

28,535. Do you find that your invitation is responded to?—Yes, it has been fully.

28,536. And that you get free communication with them?—Perfectly.

28,537. Do they keep anything from you?—These people all have their own interests, and I do not always find that what they tell me corresponds to the view that I finally take.

28,538. Just so; you hear what they have got to say?—Yes, I hear what they have got to say.

28,539. And then judge for yourself?—Yes. They are inclined to make complaints which do not appear to me always justified. Sometimes they are right, but they come for the purpose of making complaints, and if people come for the purpose of making complaints they generally make a great many.

28,540. Do you report all this to the ambassador, or how is it you deal with the information you acquire in that way?—Where there have been any serious complaints I have made a note of everything complained of, and I have done it very systematically in some cases; at Odessa, where there were great complaints, for instance; and I have done more or less the same elsewhere. I made a note of all that they stated, and in their presence I have read it over to them, and said, "Now these are what I understood to be your chief "points of complaint, you say such and such was the "case." Then I make such further inquiries as I think necessary, and we take such action as can be taken in St. Petersburg with the Russian authorities to try and get these complaints remedied.

28,541. In a place like Odessa there are, I suppose, a great many English merchants and a great many Russians who have English connexions?—There are not many Russians who have English connexions.

28,542. Are there not?—No.

28,543. Are there a number of Englishmen?—There are a number of Englishmen connected with shipping, but as English merchants, properly so called, not. An English merchant is very rare out of St. Petersburg; that is about the only place where he is.

28,544. Well, their agents, or agents for English houses?—No, not even that. A few English houses may have correspondents, but that is rare. The business from Odessa is chiefly, and almost entirely, the grain business, and grain business is done by brokers, who get their orders by telegram. They ship grain to the London market, and it is sold there; except financial business, they have very little to do with England.

28,545. Then it is merely an agency business, or a broker's business?—Hardly even an agency business, because these grain-shipping houses buy and ship to London, according to the reports of their London correspondents, and they sell in London or Havre, or wherever it may be.

28,546. At Odessa, we appear to be pretty well represented. There is a consul-general there who has 900*l.* a year, with 350*l.* for office expenses, and there is a vice-consul who has 300*l.* a year?—There is.

28,547. That is a very important place, I know. Do you consider that a sufficient staff, and is the pay sufficient?—The consul-general is obliged out of his own pocket to pay another clerk. I do not know what he pays that clerk, but I should assume about 200*l.* a year. He also has to pay out of his own pocket for his office in which work is done; he cannot pay less than 200*l.* a year for that; that is 400*l.* a year. Then I suppose his sundry expenses would amount to 50*l.* a year. I should say it costs him 450*l.*, and the effect is that he is

100*l.* out of pocket. We must remember that that salary and those allowances were fixed at a time when there was not the amount of shipping at Odessa that there is now. If you ask me about this particular question, I certainly think that where nominally a consul is given clerical assistance, such clerical assistance as is absolutely necessary should be fully paid for, but in this case the Odessa Consul-General has to pay for a clerk out of his own pocket.

28,548. It is included in his salary, I suppose; does he engage in any other occupation?—No, and office expenses are not supposed to be included in salary.

28,549. He does nothing else?—He is not allowed to.

28,550. Does the vice-consul do anything else?—No, certainly not, he is not allowed to.

28,551. He gets 300*l.* a year?—Yes. Of course he has no expenses; his 300*l.* is net. In some places the consular allowance for clerks and so on is quite sufficient; in other places—Odessa, which you happened to mention, is one—I think it is not sufficient; in fact I know that it must cost more than is allowed.

28,552. It is a very important place, of course?—Yes; the German consul-general there gets 1,350*l.* a year, and 225*l.* for a clerk.

28,553. At Odessa?—At Odessa. The Germans expend about the same amount of money there that we do. They have no vice-consul, but then they have not the quantity of work to do that we have at Odessa, because they have not the ships.

28,554. I was going to say that their amount of shipping must be a very small quantity as compared with the English shipping?—Practically none.

28,555. Then from that I infer you argue that the English representative is not adequately paid?—As regards his office allowance he is not. I would not like to pretend one way or the other to offer an opinion as to his salary being right, but his office allowance does not cover his office expenses, and could not do so, although, I believe it is meant to do so.

28,556. Now, at Cronstadt, for instance, the allowance there is 30*l.* a year?—This is a case for the exercise of discretion. It has been possible to do the work at Cronstadt perfectly efficiently for that 30*l.* That is an accident, for this simple reason, that it so happens that there is only one shipping agent, who has had the whole of that very important business in his hands for a great many years—an old established firm.

28,557. English?—English. That firm finds it in its interests to take this honorary vice-consulate, and to let one of their clerks attend to the detail duties. The British Government have profited by what that firm has found to be to its interest. That is an exceptional case, of course, but that may occur elsewhere, and when it does occur, naturally, from motives of economy, it should be taken advantage of.

28,558. Of course you know, as every one knows, that Cronstadt is the port for St. Petersburg?—Yes. On the face of it, of course, that 30*l.* a year for Cronstadt is even more absurd than what I have pointed out for Libau and Reval, but, in reality, there has been nothing wrong there.

28,559. Do you visit Cronstadt in the course of your duty?—I have never been there.

28,560. You have never been there?—I have passed it, but I have never been there. I have no business there at all; anything that goes on at Cronstadt is purely local. The customs and administration of Cronstadt is in St. Petersburg.

28,561. Have you been to Archangel?—No, it is a long journey.

28,562. Have you been to Helsingfors?—Yes, I have been to Helsingfors. I have been to all the Finnish ports.

28,563. Kieff?—Yes, and all the Black Sea ports, all the Finnish, and all the Baltic ports.

28,564. Are your reports sent home periodically?—They are sent when I have either completed a journey or completed a subject.

28,565. Do you report to the ambassador?—I report to the ambassador when I am at my post, but if I was reporting here, I might report direct to the Foreign Office. No rule has been laid down, but as a matter of course, if I am in Russia, I report to the ambassador.

28,566. In your evidence you have stated that certain ports decayed and others the reverse?—I said that they might decay.

28,567. Whose province is it to point out these facts to the English Government?—As far as I know there is no special official appointed by the Foreign Office whose particular province it is, but doubtless the Consular Department of the Foreign Office looks after these matters.

28,568. Would not the ambassador in the country or the minister have his attention called to it?—The ambassador would be unlikely to be aware of it; as if there was a consulate at a decaying port, it would probably be a small port to begin with, and, therefore, a small man there, and you would hardly expect a small man to say that his own post is becoming useless.

28,569. No, but you would expect a small man to say if his port was becoming increasingly useful?—I should, fully.

28,570. But then there are returns, are there not, sent in to the ambassadors as to the amount of vessels?—They are not sent to the ambassadors; they are sent to the Foreign Office.

28,571. Direct?—Direct; and returned as printed matter, with much other matter to the ambassadors. Unless specially asked for by the ambassador, the consular reports are not addressed to him, but go straight to the Foreign Office. That is because there has been a demand for rapidity in the publication of commercial news. I quite see the necessity of it, but on the other hand, it has distinct disadvantages, as severing the connexion between the ambassador and the consul. In an extensive empire like Russia, if you are to have rapidity of publication of commercial news, the consul must send his reports direct. As I say, that has a disadvantage undoubtedly, because it breaks the personal relationship between the ambassador and the consul, and prevents the ambassador taking that interest in the consul's report, which he would otherwise do.

28,572. (*Lord Lingen.*) In the district that you visit, are there many native consuls or vice-consuls?—In Russia there are several who are Russian subjects.

28,573. Every country that appoints consuls has a large number who are subjects of the country in which they reside, but who are consuls of the appointing government. We should find, I imagine, all about the manufacturing districts of England that there are many Englishmen who are consuls for Germany or other foreign countries?—I should fancy that was more the case in England than in Russia a great deal, because the chief consular service in Russia, after the English—and we have chiefly Englishmen, although we have some natives,—is the German service, and both the Germans and the Austrians have plenty of their own subjects in the country.

28,574. I did not put the question as to the status of these consuls with any political object, but rather with this point in view, that where you had got a Russian subject, we will say, for a vice-consul, I presume that he is usually a trader?—Certainly; he must be.

28,575. And he would not be a salaried person?—Never; although he may have what we call an allowance.

28,576. He would usually be a native trader?—He is not a consul *de carrière* (we have no English expression exactly equivalent to that); his career is not that of a consul.

28,577. You laid a good deal of stress, in your evidence, on the local and commercial information that a consul ought to have, in order to keep his government duly informed. Now, supposing that this native trader, who is a British vice-consul, is a decently honest person, and not regarding him on his diplomatic, but on his commercial side, he is just the person we want, is not he?—Yes, but we have to bear in mind his personal commercial interests.

28,578. He knows the native language?—Yes.

28,579. He knows the native wants?—Yes.

28,580. And he knows the trade?—Yes; but, if I may say so, he is not exactly the person we want from the political point of view.

28,581. I will come to that by-and-by; commercially, he is the person we want?—Yes, within certain limits; but he is afraid of his own government; and he is

Mr. E. F. Law.

14 Feb. 1890.

always afraid of anything he says being printed and exercising an unfavourable impression on his own government, which will prejudice him; so that he is never fully satisfactory even from the commercial point of view.

28,582. Would you extend that observation; if to Russia, then equally to Turkey and to Persia?—Certainly. I do not imagine there can be a country where that observation does not apply. If a man is a foreigner, he considers if his reports or observations become public, in print or otherwise, what effect they will produce on the authorities of his own country.

28,583. Subject to those drawbacks, his knowledge of the local trade, and his knowledge of the languages are points in his favour?—Certainly; and I would go further, I would say that they may render him more valuable to me as a visitor seeking information. Otherwise I might have to go to a recently appointed Englishman.

28,584. Who is it in Russia—is it yourself, or is it the several consuls, British subjects, who make the reports to the Foreign Office on commerce?—Every consul is obliged to make an annual report on the trade of his district.

28,585 Is a native vice-consul in any official relation to the nearest British consul who is a subject?—Certainly.

28,586. He is?—He receives his appointment from him, not from the Government, though the consul cannot make the appointment without the previous sanction of the Secretary of State.

28,587. Not from the Government?—He has not got the Queen's commission. His appointment is from the nearest British consul—the British consul of the district which includes his vice-consulate.

28,588. Would your experience lead you to say that these native vice-consuls are duly consulted before the consul makes his report?—The practice is that each one of them shall be asked to send in a report to the consul, who has these reports before him when he makes his full report. Their reports are printed, but with many of them it would be absolutely useless for the consul to ask them to make a report, because they would not do it, they would not take the trouble; they are not paid. The consul is very glad to get their good offices, but he cannot ask them for what he knows they would not do.

28,589. Supposing they would not take the trouble, putting out of sight any other motive for the moment that might deter them, if they would not take the trouble to make these reports, what induces them to be vice-consuls at all?—A certain position; sometimes merely the question of being able to figure at the local governor's assemblies, sometimes commercial interests.

28,590. Still, if the man has got something that he values, he has got something to lose, and to that extent you have got a pull over him?—You have.

28,591. If he was perfectly satisfied that his communication to the nearest British consul was a confidential one, and that his own name would not figure in the consul's report; that under no circumstances would his report, whether written or verbal, be divulged in that way, do you think you would have the benefit of his commercial experience?—I doubt it; in the first place because, in the countries in which I work he never could give full satisfaction to his own Government or to us.

28,592. Would the conclusion from what you have said, be that you would rather be without the native vice-consul?—No, certainly not; you must have some representative, and as from motives of economy you are not given Englishmen you must take the natives to give certificates and generally attend to local detail business.

28,593. What is the good of him if you cannot trust him?—But you can trust him to smooth difficulties with the local authorities; that is one of the chief duties of a consul, as there are continual difficulties arising with the local authorities.

28,594-5. Now we are getting on to what we may call their diplomatic side, for they have a diplomatic side, have they not?—Their duties are somewhat diplomatic; they are in connexion with diplomatic affairs. For instance, a sailor gets drunk in the street, and the policeman illtreats him, or he illtreats the policeman, as the case may be, the local native consul would go to the local native authorities and do the best he could in the interests of the sailor.

28,596. Now I want to come to a point starting from that basis; are commercial travellers sent, to any very considerable extent, from English, German, French, and American firms, over the district that you visit?—German, very large.

28,597. Larger than any of the others?—Very much larger, but also sometimes representing English firms.

28,598. (*Mr. Cleghorn.*) In conjunction with German firms?—Yes, the ordinary commercial traveller in Russia, you may take it, in nine cases out of ten, is a German.

28,599. (*Lord Lingen.*) To that extent the Germans, I presume, are in a better position for dealing with the natives?—Yes, they are, but chiefly in the smaller trades. When there are large orders, important orders, then it is not the ordinary commercial traveller, such as one sees every day about the country, who does the business. When there is a large order I think that our people are fairly wide awake.

28,600. But how do they bring the goods that they have to trade in under the notice of the natives who would buy them, if they had not sent commercial agents?—In Russia our goods are fairly well known. There are a certain number of commercial agents who come out, but a very limited number. I think more might be done. In Persia we have a few established houses, and I think that our established houses of business there stand better than those of any other nation.

28,601. But then those necessarily can be only at certain points and centres?—That is all.

28,602. What I wanted to come to was this. Chambers of commerce are never weary in making complaints that the Government of this country does not do enough for them, but we have got this fact, that in the district that you are acquainted with, the German traders send out, at their own expense, and apart from their Government agents, which our commercial people do not send out to anything like the same extent?—Certainly.

28,603. To a certain extent, therefore, the Government, if it ever was heard on its own defence, might say, you do not do as much for yourselves as the Germans do?—They do not, and I have already instanced to-day the fact that the samples of things which I sent home did not meet with the response which I think they might have met with. I think that officials who interest themselves in trade would always be glad to find that their efforts meet with some response. If I take a collection of samples, as I did, of every kind of textile that was in vogue in the market, and put to each a price and the country of its origin, I think that that should be of interest as commercial information. I did that, and sent home large and carefully prepared samples, and I have never heard anything about them good, bad, or indifferent, or whether anybody cared twopence.

28,604. (*Mr. Cleghorn.*) Did you send them to the Foreign Office?—They were passed through the Foreign Office to the Chambers of Commerce.

28,605. (*Lord Lingen.*) Of course, a commercial house or two, established at great points in a country like Persia would not at all be able to diffuse the local trade in the same way that an agent going about with samples would?—I do not think in Persia a European agent going about with samples would be of any use.

28,606. Would a native agent?—A native agent might, and the Russians do that more or less, as I have already mentioned in my published report; they employ native agents, that is to say, Armenians.

28,607. In the course of your service have you served in the Foreign Office itself?—Never.

28,608. (*Mr. Harvey.*) I believe you are one of the two commercial attachés, are you not, the other gentleman being at Paris?—Yes.

28,609. What were the circumstances that led to your appointment?—I cannot say exactly. I presume that it was in consequence of Mr. Bryce's Committee. I know that I interested myself very much in it, because I took a very great interest in a desire of mine to see the Imperial Institute turned to what I thought might be very important uses for trade.

28,610. And so you became a commercial attaché at St. Petersburgh. You have made a suggestion to us

that the future constitution of the consular service should depend upon groups of places that are bound together either by a similarity of language, or by a similarity of interests?—Yes.

28,611. You suggested that they should be formed into groups, and that the promotion of the consul should be within each group?—And that their admission into that group should depend upon their knowledge of the language or something connecting them with that group.

28,612. Supposing that to be the case, you would, I suppose, wish that there should be an examination in a particular language that was predominant in that group?—Certainly, as far as the examination was the means of entrance, but I have not committed myself, and should not wish to do so, to the idea that entrance should be absolutely only by examination.

28,613. You would wish, I suppose, that if a language is to be thoroughly learnt, the candidate should not be too old, and that he should be a young man?—I do not see that that matters.

28,614. The present ages of admission to the consular service are between 25 and 50. Would you suppose that a man of, say, over 40 years of age going into any new district would be as rapid in the acquisition of the language as a young man?—No, but I would not have a man definitely appointed who did not know the language.

28,615. Does not your proposal by implication carry with it the condition that the entrance should be at a much lower age than the maximum limit under the present system?—Not necessarily. I have never heard of men being appointed at that age, and in practice I should not think that it ever happened that a man entered the consular service at such an age. I do not see that the age matters if the necessary qualification is secured independently of age. If qualification depends, say, on an examination in the language, it does not matter what the age is as far as I can see.

28,616. Then once within this group, would you appoint him to a subordinate office and let him by merit and ability rise to the higher posts? Would you appoint him, for instance, on the same lines as we have in the case of China and Japan service?—Yes.

28,617. You know something of that service, I think?—Very little. I do know something as I have been out there on a visit.

28,618. Speaking broadly, would you like such a system as that applied to the whole service?—Yes, as far as I know.

28,619. You know, of course, that that involves an examination and a much lower limit of age than the age of admission to the service?—Yes.

28,620. So far as you know that service, would you go the length of saying that you think it would be better manned on those lines?—As long as those were not the exclusive lines, because there are distinctly places that require a special man, and there are distinctly special men who might fit particular places and whom it would be desirable to get in. You may find a man who has attained great local knowledge of a country and of its trade or of its politics or of anything else, and who at the moment that you happen to want a consul in that country is available. Now it would be, no doubt, a very disastrous thing should such a man be shut out.

28,621. So long then as power were preserved to the Secretary of State for that purpose and to that extent, would you say that you would prefer the system of admission which now obtains in the China and Japan service?—Yes.

28,622. Would you?—Yes.

28,623. Do you come much in contact with the consuls who are not paid a salary — the unpaid consuls?—Yes, I was one myself during a very short period.

28,624. Do you find that their commercial knowledge is as good as that of the consuls *de carrière*?—They very often may be much better, because they are practically in business; whereas, very often a consul in the consular service is a man whose whole time is taken up by details of shipping, and protests, and complaints of sailors, and this, that, and the other, and he has not the time, even if he has the desire, to acquire that sort of commercial knowledge that a commercial man has.

28,625. I suppose the unpaid consul could hardly be expected to draw up a report of any particular trade?—It entirely depends upon his good pleasure to do so, and you cannot force him to.

Mr. E. F. Law.
14 Feb. 1890.

28,626. As a matter of fact, do you know whether many of our reports are written by those men?—Very few. I have always found that if I saw them personally I could get very good information from them; they are useful men to get information from if you see them personally. They are naturally civil to you, it stands to reason they would be; but as to writing a formal report, they do not wish to compromise themselves or to show themselves; it is against their interest in every way possible to do it.

28,627. (*Mr. Lawson.*) Very often, I suppose, they have not the knowledge of the methods required?—It is against them in every possible way.

28,628. (*Mr. Harvey.*) So far as your experience has gone, how do you draw the line between the duties that you yourself perform and those which you think ought to be a part of the ordinary routine of the consul?—As I said, between such questions as can be and should be settled locally, between the local representative of the British Government and the local authorities, and such questions as arise from the consul not being satisfied with the action of the local authorities, are referred by him to his ambassador, or such questions as are not within the competence of the local native authorities. As regards reports and information and statistics, the consul can only give, and should only try to give, local statistics and information. The commercial attaché's business is to collate, compare, and report on these, with such additional information as he may himself have; besides which, there are evidently statistical, financial, and other questions which can only be considered in connexion with the country as a whole, such as a financial report. There is no consul whose duty it is to do that work; it is distinctly the business of the commercial attaché.

28,629. So that, I suppose, you would say, that it is quite possible by adhering to that distinction to feel sure that the appointment of a general commercial attaché, like yourself, does not have the effect of rendering the ordinary consul limp as to the discharge of his duties; that is to say, he may argue, "Well, "I will not trouble about that, because that will come "within the purview of the commercial attaché's "duties?—The only man whom there can be the smallest idea that it would effect in that way would be the consul at the capital, because up to the appointment of commercial attaché, certainly more has been asked from the consul at the capital than is, ordinarily speaking, comprised within the duties of a consul. Of that extra demand he is undoubtedly, to a certain extent, relieved by the appointment of a commercial attaché, but only to a very small extent, because the commercial attaché is very seldom there.

28,630. Does the appointment of a commercial attaché relieve the consul-general of any of his functions?—The consul-general and consul, in the way we are considering the question, are synonomous terms.

28,631. Have you any relation with the Board of Trade in the discharge of your duties?—None.

28,632. Unless the Board of Trade chooses to communicate with you through the Foreign Office?—That is all.

28,633. (*Mr. Lawson.*) Are you satisfied, may I ask, with the way in which your reports are treated?—Yes, perfectly.

28,634. Do you think they reach the public, and the commercial world, as soon as you can reasonably expect?—Yes.

28,635. (*Mr. Harvey.*) Would you consider it part of your duty to report upon any place in which the trade had so decayed that you thought a vice-consul could be dispensed with, supposing that you met with such a case?—If I met with such a place I might mention it casually to the ambassador, but I should not consider it my duty to make an official statement on the subject.

28,636. That I suppose, in the ordinary discipline of the service, would be the duty of the consul-general, would it not?—Yes, if it were a vice-consulate under a consul-general it would be, I presume, but I do not undertake to answer for certain.

28,637. (*Mr. Cleghorn.*) Would you consider it any part of your duty to act in the reverse case?—Yes, I should. It is no part of my duty, as far as I know,

Mr. E. F. Law.

14 Feb. 1890.

to try to cut down anybody's post, but it is my duty to point out where our trade appears to suffer from want of anything.

28,638. (*Chairman.*) I have understood, that on the whole, from your evidence—of course it is difficult for you to make the recommendation—that you would think it might be useful if you, as a commercial attaché at St. Petersburg, had an opportunity of reporting upon the growth and decay of Russian ports or centres of British trade, and so forth, with a view to the direct increasing of the importance of some consulates, and the reverse, and so on, according to circumstances?—Yes, but I should again repeat, for fear that too much may be made of my having said that places might decay, that, as a matter of fact, I have not, in my districts, come across a place which has so decayed. There are, perhaps, such places elsewhere, but I am not in a position to report either one way or the other. As far as I know and understand my duties, it certainly would not be considered my duty to report in favour of the abolition of a post, whereas distinctly saying that I think a consul's salary should be raised, is equally not within my limit of duties. I may point out that the importance of a certain station has developed, and that the work consequently has become very heavy; and those are, in fact, the terms in which I should report. I should never take upon myself, and could not do so, to say that the salary or emoluments were inadequate, but I would point out that the importance of the place had increased, and the work, consequently, with it.

28,639. You do that now?—Yes.

28,640. (*Mr. Harvey.*) You have expressed a high opinion of the consular reports on the whole?—Yes; on the whole.

28,641. Do you find that those consular reports, handed in to our Foreign Office, are used in other capitals, for instance, would the merchants at St. Petersburg care to see our consular reports on Russia?—Yes, I think so.

28,642. Do you think they are read in other countries?—Not very largely; I do not think the world at large sufficiently knows them. The Russian Government, who ought to be good judges, make great use of them.

28,643. That you know?—Yes. Of course, being officials, they know about it, because their embassies report, but I do not think that amongst the commercial world at large, the existence of these reports is sufficiently known; they have not got popularity somehow;—they have never been advertised they have not been run as a business.

28,644. Take now the question of tariff; it would seem to me from my knowledge of our commercial papers, that in all probability we know more about the tariffs of a great many foreign countries, from the consular reports, than the natives know themselves?—I should think we do.

28,645. Would it not be quite reasonable for a merchant in St. Petersburg to look at our blue books to find out his own tariffs, would our blue books be as accessible to him as his own literature?—No; he would have, as a matter of fact, a great many difficulties to contend with; he does not know where to write to get them, and then they would have to pass a censorship to come into the country to him. There are many difficulties in his way.

28,646. In fact, I suppose, you do not meet with them in Russia?—No, not at all.

28,647. I take it that you would be of opinion that every consul should, on appointment, pass a short time in the commercial department of the Foreign Office?—I did not say the consul should; if the idea was adopted of secretaries in the diplomatic service being specially recognised, and receiving a special emolument for attention to commercial affairs, I think that a part of their qualification for that special position should be having passed a certain time in the commercial department of the Foreign Office, or in the office of some large consulate.

28,648. Now suppose some such arrangement as that were made, how would you be able to ensure that the secretary so selected did give time to commercial affairs?—You would have to trust to the ambassador handing these affairs over to him, they come in as a matter of daily work, and must be attended to by some one as such.

28,649. That is only I suppose when commercial questions take the form of a complaint by some trader?—Yes, though they may take a form something more than a complaint. There are general questions put forward by chambers of commerce. I have in my pocket from the Hull Chamber of Commerce, a note about grain sacks. That is a very long question, but it is not a complaint, so to speak; it is a question that is continually going forward. We have got the Russian authorities to make certain concessions. I have made propositions, and they have made propositions, so you see it is a long question that is being followed out. If a particular gentleman has that sort of question handed over to him, I think it will very soon transpire whether he is paying attention to it or whether he is not.

28,650-1. Then, at present, you have no guarantee in the present construction of our embassies that there is anybody there who understands these questions at all?—We have no one whose special duty it is, or who has had any special opportunity of acquiring technical commercial knowledge; it is the general duty of the chancery. If I might be allowed, I should like to point this out with reference to a question that you asked just now. Supposing that any gentleman in the chancery did receive special pay for attending specially to commercial work, I think you might trust his colleagues to put all that work on to him, and I do not think he would escape doing it.

28,652. Is your time usually occupied with the matters that come before you of the nature of grievances and complaints, and requests for information, or of general observations, that you may initiate yourself?—It is rather difficult to say, because it depends, to a certain extent, upon what country I am in, and how long I have been there. In Russia, now, I have got a great many general questions, because I have been there a great deal. There has been a very large question which has been occupying my attention, the whole time, as regards the port and customs regulations as distinct from tariff. That involves also innumerable detailed questions in different ports as to what is being done; how the authorities work; how they carry out the laws or, rather, the regulations, what is wanted, and so on; but, if I were to be sent to Berlin, for instance, as I do not happen to have ever resided in Germany, naturally my first work and my chief time would be taken up with simpler questions and those which might be directly put to me until I got to know more about the place.

28,653. Do you know whether the French nation has any officer corresponding with yourself?—Not that I know of; I am pretty sure that they have not.

28,654. Nor the Germans?—I think I have heard that the Germans intend to follow our example to a certain extent but they have not such an officer now.

28,655. There is a general impression that the German consul, speaking broadly, helps the German trader very much more than the English consul helps the English trader; would you say from your experience that that is true?—I think that the German consul with the local authorities, in a local business question, using the word "business" quite separate fron anything that is concerned with laws or with regulations, will do for the German trader what the English consul would not, and, in my opinion, should not do. He will take an individual trader, and recommend him to particular authorities in a very strong manner for particular business. That the English consul will not do, and, according to my experience, speaking from a business point of view, should not do.

28,656. Does not such intervention as that on the part of the consul—intervention obviously for the purpose of securing the personal interest of an individual—weaken his influence very much when required to be exerted in more important matters?—Yes, I should say that it does; I should say that the English consul stood higher in that respect.

28,657. You would say so?—Yes; I think it is thoroughly known that the English official has no personal interest, and does not exercise any influence in favour of individuals in business, and I think it is most desirable that that should be maintained.

28,658. In what intelligible sense can an English consul help a trader at all?—He can help him by giving him information generally about his business, particularly in such countries as those where I work. A stranger does not know how to go to work; he does

not know the business habits; he does not know the forms; the whole forms and whole nature of the business is different; the consul can guide him about that. If the trader comes out in a difficulty, say, to recover a debt, the consul, perhaps, can give him information —whether he is likely to be paid, or whether he is wasting his time; he can give him general information about law proceedings; he can recommend him to a trustworthy lawyer.

28,659. (*Mr. Lawson.*) He helps to surmount officialism, does not he?—Yes, and he helps him with the officials when official things come in. I do not think it could be better expressed than by saying that he helps him to surmount officialism.

28,660. (*Mr. Harvey.*) In fact, he, being a *persona grata* to the authorities, can do more than a stranger?—Yes; he knows the language, the manners, and the ways of the country, and he can give all the benefit of his experience of the country in that direction to a man who arrives as a stranger. In all these matters comes in the necessity of great tact on the part of the consul, because you want to help your countryman and, at the same time, if you say so-and-so is a scoundrel, and he will not pay, or a certain official is corrupt, you will, perhaps, get into difficulty.

Mr E. F. Law.

14 Feb. 1890.

28,661. (*Mr. Lawson.*) I understand that you think it is a gain, and not a loss, to the English commercial community, that our consuls do not tout for particular firms and particular orders?—Distinctly a gain.

28,662. (*Chairman.*) Unless there is anything you would still like to say, I do not think we need keep you any longer?—Thank you, I have nothing further to say.

The witness withdrew.

Mr. William Edward Davidson called and examined.

Mr. W. E. Davidson.

28,663. (*Chairman.*) I believe you hold the position of legal adviser to the Foreign Office?—Yes.

28,664. An appointment which was in its present form created, or at all events established, only two or three years ago?—In July 1886. I do not know that the matter is very important, but perhaps I ought to say that the recommendation of the joint departmental committee, in consequence of whose report I was appointed, was that a "Counsel to the Foreign Office" should be appointed, and in the minute appointing me I am so described. I have since been generally called "Legal Assistant," but the latter term is somewhat of a misnomer. The duties I perform are those of permanent Legal Adviser or counsel to the Foreign Office. The Law Officers of course also very frequently advise the Secretary of State, but they do so, not as the Law Advisers of the Foreign Office but of the Crown, and of the Ministry for the time being.

28,665. (*Mr. Lawson.*) I think you appear as legal assistant in the estimates?—Yes, I appear as legal assistant in the estimates, but, as I have said, the actual appointment is that of "counsel to the Foreign Office."

28,666. (*Chairman.*) Is the relation you hold to the Foreign Office and your position there a consequence of the recommendation of a committee which sat about that time?—Yes.

28,667. Which sat in that year, in fact?—Yes.

28,668. The subject has been mentioned, I think, by Mr. Bryce himself, who has given evidence before the Commission, and that has led us to ask you to come here to say whether you have anything to suggest with reference to your position in the Foreign Office. We should be glad, therefore, to hear any suggestions that you can make. When there is a legal question at the Foreign Office, are you asked to draw up a case for submission to the Law Officers, to take as an instance such a case as that?—The great majority of the legal questions at the Foreign Office are settled without any reference to the Law Officers, but when matters are referred to them I invariably either draw the reference myself, or I settle the reference. I am entirely responsible for the whole of the legal matters. Of course, in many cases there is a great deal of fact which is supplied to me by the various officers in the departments. I look through it and settle it carefully, and I always absolutely settle legal questions which arise on those facts which are to be submitted, and I add any observations on the legal bearings of the case, and quote any precedents which I think may assist the Law Officers.

28,669. Do the papers, as a rule, come to you in a prepared form, so to speak, like a case stated for your decision?—No.

28,670. Do all the papers relating to a particular affair come to you?—Nothing comes to me except it is referred to me either by the Secretary of State, by the permanent or Parliamentary Under Secretary, or by one of the two assistant under secretaries. They refer to me papers very frequently; my name is usually simply written upon them—I read these papers and make what observations I think right from a legal point of view. I do that in a great number of cases which are never submitted to the Law Officers at all. I should say at least four-fifths, and probably many more, of the cases I advise on do not go to the Law Officers at all.

28,671. I did not make myself clear. There are, I presume, some further cases that would, under ordinary circumstances, be submitted which are of very grave importance, and which, I presume, would go to the responsible legal advisers of the Crown?—Yes, certainly.

28,672. And those papers would pass through your hands on their way?—Yes, always.

28,673. And you would see that the case was stated properly?—Yes. I should either settle the case in the way I mentioned, or else I should draw a case myself, if it was a case which chiefly involved legal matters and not fact.

28,674. Would it rest with you to decide whether a question sent on to the legal advisers of the Crown was a case to be stated by yourself on behalf of the Foreign Office, or would that be a matter for the discretion of the Secretary of State?—Clearly for the Secretary of State, but I think in a case in which I said I thought the opinion of the Law Officers ought to be taken, he would probably confirm that. On the other hand, if any matter arose in which the Secretary of State himself desired that the opinion of the Law Officers should be taken, the papers would be sent to me, and it would be my duty to see that the reference was properly drawn, and the necessary legal considerations submitted.

28,675. Is there a great deal of work in your department?—Yes; I think there is a good deal. Perhaps it would be convenient for me to state the number of these references to the Law Officers for instance. I do not know whether that would help the Commission?

28,676. I wanted to know generally—I think we have had it in evidence—whether there is a great deal of heavy work to do in your department?—Yes, there is a great deal of heavy work, but I have no department.

28,677. And a great deal of it is responsible work?—I think so.

28,678. Of course yours is a newly-created department, and we are anxious to learn from you, as we are considering the constitution of the Foreign Office, whether things are working as they ought to do. Have you any suggestions to make; it really comes to that?—There is no legal department in the Foreign Office, and never has been, but I think that the office I hold is much more responsible one since the departure of Sir Julian Pauncefote to America, because when he was at the Foreign Office he himself—the permanent head of the office—was a gentleman possessing large legal attainments. Now, with the exception of myself, there is no one who possesses even a legal qualification, so that I think the position, so far as relates to the responsibilities attaching to it and to the work, is considerably altered since Sir Philip Currie's promotion to take Sir Julian Pauncefote's place. Before that time there was, of course, another official in the office, of large legal attainments and experience, to whom one could go for assistance, and whose opinion one might take to assist one's own or to confirm one's own; and now nothing of the sort exists. There is no other legal official of any kind in the Foreign Office, either in a responsible or a subordinate position, besides myself. There was no legal official on the permanent staff of the Foreign Office previously to 1876, when a legal Assistant Under Secretary was appointed in accordance with the recommendation of the Committee on Legal Establish-

Mr. W. E. Davidson.

14 Feb. 1890.

ments in Government Offices, which sat in 1875 under the chairmanship of the late Sir George Jessel.

28,679. Have you any suggestions that you would like to make to the Commission about the relations of your department in any way?—I think, rather than make a suggestion, that I would like to call the attention of the Commission to the difference between the arrangements for the discharge of the legal duties in the Foreign Office and in other Secretaries of State's offices. I do not think that the arrangements in the Foreign Office are nearly so complete as they are, for instance, in the Colonial Office. In the Colonial Office there are two legal Assistant Under Secretaries of State, besides several clerks upon the establishment who have been called to the bar (in more than one case with the highest legal honours), and there is also a clerk for legal instruments. In the Home Office again, the Under Secretary of State himself is a lawyer of great experience, and there is a legal Assistant Under Secretary of State, who is also a barrister of experience. In the India Office there is a complete legal and judicial department, besides a legal adviser to the Secretary of State. In the Foreign Office, at present, there is absolutely no one except myself.

28,680. Do you find that you are really practically overwhelmed with the work that comes to you?—I think it undoubtedly would be so in any time of stress. I cannot say that I am physically overwhelmed now. I have certainly much more to do than I can get through satisfactorily to myself, and it must be remembered that during the last three years things have been most extraordinarily quiet. I am convinced, if such a misfortune should occur as the outbreak of a European war, or any unusual excitement arose, the mere work of drafting the cases for the Law Officers would be as much as I should be able to do satisfactorily. I have never been free from arrears during all the time I have been at the Foreign Office. There has either been a larger or a smaller mass, but the mass has always been there, sometimes of many boxes, sometimes of few.

28,681. Apart from when Sir Julian Pauncefote was there, I understand that he was an under secretary, with legal acquirements?—Yes.

28,682. There was an officer representing your department, was there not, also?—Not before I was appointed.

28,683. You mean that you succeeded nobody?—I succeeded nobody, mine was a new office, so far as the Foreign Office is concerned. In one sense it succeeded, in relation to the Law Officers, the counsel who was appointed to assist the Attorney-General in Foreign Office matters, because upon my appointment his services ceased with the consent of the Law Officers. My office was created in 1886, as I understand, to supplement the office which already existed, which was that of a legal Assistant Under Secretary of State.

28,684. Then you are a legal assistant under secretary, only under a different name?—No.

28,685. You are the legal adviser?—I think I do in the Foreign Office now practically what legal Assistant Under Secretaries of State do elsewhere; but I am by no means a legal Assistant Under Secretary of State myself, either in the position, or rank, or authority, or pay.

28,686. (*Mr. Lawson.*) But so far as pay is concerned, I suppose as it is a fixed salary, you thoroughly understood that when you went in, did you not? It is a fixed salary, is it not?—Yes. When I accepted the post of Counsel to the Foreign Office, the position of things in the office was very different. I knew that Sir Julian Pauncefote was there, and I knew, or considered, that he represented a legal Assistant Under Secretary of State, because, when he was promoted, he became permanent Under Secretary from the legal Assistant Under Secretaryship of State, as I understood, he undertook to continue to discharge the legal duties which he had hitherto discharged while legal Assistant Under Secretary, and, in consideration of that, a political assistant under secretary was allowed to be appointed by the Treasury to the Assistant Under Secretaryship which Sir J. Pauncefote vacated on his promotion in 1882. So that I believed at the time I took the appointment, that there would always be two legal officials in the office, and that when Sir Julian Pauncefote, either by promotion or otherwise, left, then either his successor, or one of the two Assistant Under Secretaries of State would necessarily have to be a gentleman possessing legal qualifications.

28,687. (*Mr. Harvey.*) I suppose you have not found your work so urgent that you made any representations for assistance, or anything of that sort?—I have many times discussed with Sir Julian Pauncefote the work, and also with Sir Philip Currie, and said that I thought it was very heavy in itself, and that I did not consider the arrangements for its discharge so satisfactory as they are in other offices. I am not myself responsible, of course, for the actual arrangements made for the discharge of the legal work at the Foreign Office, though I am most anxious to do the best I can with the means placed at my disposal so long as I may be there. I have not made any formal representation, and I have never been asked to do so.

28,688. (*Mr. Lawson.*) How many hours a day, on an average, does your work take you?—I have not kept an account lately, but I did at one time for several months continuously. My time of actual attendance at the office itself then averaged six and a half hours a day (Saturdays, which are not half-days at the Foreign Office, being included). In addition to my attendance at the office, I very often have boxes sent home and work out of hours, which are, at the Foreign Office, from twelve to six. I do not consider that I am in any way bound to do so, but I do, as a matter of fact. I am anxious to get through the work as well as I can.

28,689. (*Mr. Cleghorn.*) Have you no chief clerk or assistant?—I have no one at all.

28,690. No one?—No one. I ought to explain that such assistance of a non-legal kind as can be given to me is always most ably and heartily given to me by my colleagues in the office, and I am greatly indebted to them all for it, but of legal assistance I have none at all.

28,691. I mean you have no one on whom you actually depend, or to whom you look for permanent constant assistance?—No. For instance, if I were to be ill, there is nobody who could take my place. I have hitherto fortunately never been away a day from illness since I joined the office.

28,692. (*Mr. Harvey.*) I imagine that the difference between a legal assistant under secretary and a legal adviser would be, that the legal assistant under secretary would decide a legal point?—No, I think not.

28,693. You, I take it, would not decide a legal point, would you?—Yes; I should send in my report to the under secretary who sent the papers to me, and I think, in most cases, unless I said I thought it was a very important point, and that the Law Officers' opinion ought to be taken, it would be considered to be decided.

28,694. A minute would come to you, would it not, from any part of the Foreign Office, and you would send your recommendation or your advice back to the quarter from whence it reached you, and then the decision would go out as the decision of the Secretary of State?—Certainly; so it would if the Law Officers had advised upon the question; it would be the decision of the Secretary of State, given after considering their opinion. The Secretary of State is not bound to act upon the opinion of the Law Officers, that is a matter for his discretion.

28,695–6. Then what is the exact difference between the work that you do and the work that was formerly done by the legal assistant under secretary, or that is done in the Colonial Office by a legal assistant under secretary?—I do not think there is practically any difference between the legal work that is done by me and by a legal assistant under secretary. I say *legal* work, because I believe that in practice, legal assistant under secretaries do frequently, for the convenience of the office to which they are attached, do other work than strictly legal work. I know that Sir Julian Pauncefote did so at the Foreign Office while he was legal Assistant Under Secretary to a considerable extent, though the bulk of his work was legal. The legal work at the Foreign Office, however, has greatly increased of late years. This was pointed out by the then Secretary of State in 1886, and formed, I believe, the principal ground upon which the Committee based their recommendation that the post of counsel should be created.

28,697. What was the origin of your appointment; was there any committee?—Yes, there was a joint departmental committee, which was appointed, I believe, early in 1886 to inquire generally into the state of the Foreign Office, but I think it only reported upon the legal business of the office.

28,698. Then you consider that the position which was contemplated for you by the Committee of 1886 remained unaffected whilst Sir Julian Pauncefote was there?—Yes.

28,699. But you think it has altered since he left?—I think so. Of course I cannot say what the committee had in their minds. I may have gone to the Foreign Office with a wrong impression, but that is my impression. I think that the committee always contemplated that there should be somebody in a position either of the permanent Under Secretary of State, or of an assistant under secretary, who had legal knowledge.

28,700. You do not sign a letter for the under secretary, do you?—No.

28,701. You do not discharge the duties of an assistant under secretary in any way?—No, in no way whatever. I have no means of communicating officially with anybody, of my own motion.

28,702. Would not the difference be that the legal assistant under secretary, such as there is in the Colonial Office, might himself make a decision and communicate it to whomsoever it concerned under his own signature, but that you could not do it. You would have to report to some secretary or assistant under secretary, and on his agreement with your decision would depend whether the opinion would be accepted?—Undoubtedly, if the under secretary chose to disregard the opinion and not to act upon it, he could do so. He could not, of course, alter the opinion. I should be responsible for my advice, and he would be responsible for the decision he took upon it. I cannot, however, recall any case in which an Under Secretary has not accepted my opinion on a legal point.

28,703. Would you agree that that is the distinction between a legal adviser and an assistant legal under secretary?—I think that is one of the distinctions; it would be the same I think, in a non-secretary of state's office (such, for instance, as the Local Government Board) with regard to an assistant legal secretary and a legal adviser.

28,704. (*Mr. Lawson.*) I suppose that you would consider that the legal points upon which you have to advise, and to some extent to decide, are at least equal in importance with those that are sent up at the Colonial and India Offices?—I cannot say about the India Office, because I must explain that that is on a different footing, but so far as the Colonial Office is concerned, undoubtedly. I worked a good many years in the Law Officers' chambers and I had opportunities of seeing the sort of questions that were submitted by each office. The references from the Foreign Office were certainly both more difficult and far more numerous. For instance, in 1884 there were 112 references from the Foreign Office and 23 from the Colonial Office; and in 1885 there were 159 from the Foreign Office and 18 from the Colonial Office. The Commission are probably aware that the Foreign and Colonial Offices alone submit their references direct to the Law Officers in the form of a letter. All other offices do so by means of a case which reaches the Law Officers through the solicitor to the particular office (if there be one) or else through the Treasury solicitor.

28,705. Do we understand from you that you want additional assistance in your own room?—I think that if a time of great stress arise it will undoubtedly be necessary for the proper discharge of the legal duties of the office that there should be a second barrister, whether he is called a legal assistant, under secretary, or whatever he may be called, who shall be able himself to do work of the kind that I now do.

28,706. (*Mr. Cleghorn.*) Would you give us a general idea of the nature of the cases that are referred to you?—It is rather difficult; almost every kind of legal case comes to me.

28,707. Give us a sample of one or two short ones?—First, every claim for injury, either to his person or to his property, which is advanced by a British subject abroad, to the Foreign Office, would at some stage or other, probably at a very early stage, come before me to advise upon its legal aspect.

28,708. Claim upon whom?—Upon a foreign government for injury to his person or his property in a foreign state. Supposing, for instance, that a British subject were improperly arrested, or treated with great violence by the police of a foreign state, he would represent that case to the Foreign Office, and the Foreign Office would investigate it, and if necessary make a representation on behalf of the British subject to the Foreign Government.

28,709. Would he not go to his own ambassador or minister?—If he did it would come to the Foreign Office, because it would be reported by the ambassador or minister to the Foreign Office, and he would ask for instructions as to dealing with it.

28,710. He would not deal with it without instructions from the Foreign Office, would he?—I think not, as a rule. Of course, that would be within his discretion if the matter were a very urgent one; but, as a rule, he would report it, undoubtedly, before making a representation, and ask for instructions. Then as to cases involving injury to the property of British subjects, there are the very numerous cases in which British subjects complain that they have been unjustly treated in respect of their ships in foreign ports, their goods, their commercial undertakings and contracts abroad. Again, there are many and most important cases in which British subjects complain that concessions granted to them by Foreign Governments have been violated.

28,711. Would such cases come to you?—Such cases, I think I might say, would almost all come to me, and it would be my duty to report upon them; and very frequently at a later stage they would have to be referred to the Law Officers, in which case it would be my duty to draw or to settle the reference which was made to them, and also to revise any drafts of letters that might be written either to the subject himself or to the ambassador in connexion with the case. I think I have not mentioned before that it is my duty to revise *all* drafts of letters founded on my minutes or opinions before these letters are submitted to the Secretary of State. Then any question of extradition or naturalization which arose would probably be submitted to me at some time or another, if there were any legal difficulty about it, or if it did not follow established precedents. Orders in Council putting into force the provisions of the Foreign Jurisdiction Act abroad would pass through my hands, though they would not actually be drafted by me. Again, questions as to the construction of treaties are referred to me frequently. I have to advise constantly on questions of domicil and status; as to the marriages of British subjects abroad; upon conflicts of jurisdiction, or of laws, between this country and foreign states; upon complaints as to the administration of justice in British consular courts; upon petitions for mitigation of sentences passed by them; upon all cases in which Her Majesty's diplomatic or consular representatives abroad apply for instructions on legal matters and so forth. In fact, the cases which come to me range over the whole of public and private international law, and involve also a knowledge of common law, and statute and criminal law.

28,712. Every day, I suppose?—I should say on the average throughout the year that many cases are referred to me daily; it is difficult to say how many cases a day, sometimes there might be half-a-dozen fresh cases and sometimes more, and sometimes two, and perhaps on another day one.

28,713. It varies?—Yes; in the course of a year a very great number of cases of different kinds arise. I have not had time to prepare myself with any statistics as to the exact number, and I should not like to commit myself to more than the general statement, therefore, that the cases referred to me are very numerous, very varied in character, and frequently involve questions of considerable difficulty and importance, upon which it is necessary to advise with the least possible delay.

28,714. (*Chairman.*) If there is anything that you would like to add I should be glad to give you the fullest opportunity of stating it?—I do not think there is at the moment, but if there should be any question upon which any of the members of the Commission think I may be able to give them further information usefully, I should be glad to supplement my evidence upon such points. I had no idea until late last night, when I received their request to attend before them to-day, that the Commission would desire to examine me at all, and I have, therefore, had no time to prepare myself thoroughly as I should have liked to have done.

The witness withdrew.

Adjourned.

EIGHTY-FOURTH DAY.

7, Whitehall Place, Westminster, S.W., Thursday, February 27th, 1890.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

Lord LINGEN, K.C.B.
Mr. J. CLEGHORN.
Mr. A. S. HARVEY.
Mr. R. W. HANBURY, M.P.
Mr. H. L. W. LAWSON, M.P.
Mr. H. WALPOLE, C.B., *Secretary.*

Sir PHILIP W. CURRIE, K.C.B., recalled and further examined.

Sir P. W. Currie, K.C.B.
27 Feb. 1890.

28,715. (*Chairman.*) There are a few points upon which we wish to have further evidence from you, partly in connection with the questions upon which you have already given evidence, and partly also with reference to the returns which you have handed to the Commission upon the cost of the diplomatic establishments, and so forth. The first point I should like to ask you upon is the fusion of the diplomatic and the Foreign Office services. Do you think that that could be carried to a further extent than it is at present?—I think it might be carried somewhat further, but there would be difficulties. The services might be fused, with certain restrictions, but I think you could hardly force men who have entered the Foreign Office as a profession to go abroad; and, on the other hand, it would be hardly fair to force men who have entered the diplomatic service to remain at home permanently.

28,716. Quite so, as regards the present occupants of those offices, but what do you say as regards the future?—The difficulty as to the future would be, that to live abroad, a man must have some considerable means. To be a clerk in the Foreign Office, particularly if his family live in London, he need have really none except his pay. That is the difficulty, but I think that the services might be made one, on the understanding that some men would be specially told off for the home service and some for the foreign service; if that was left to the discretion of the Secretary of State, I think there would be no objection to it.

28,717. Would there be any advantage in it, do you think?—Yes, to some extent there would. Of course, it is very important that the men in the Foreign Office should have experience abroad; and it is also very important that the men abroad should have experience at home. That does prevail now to a very considerable extent, but if you fuse the two services, it would, no doubt, lead to an extension of that practice.

28,718. Then I understand you to be of opinion that there might be a fusion, subject to the understanding you mention, that in the discretion of the Secretary of State the young men might be set apart for one service or the other according as circumstances absolutely required?—I think so.

28,719. That would not be an absolutely complete fusion, would it?—No, it would not. I do not think it would do to say that every man who enters the service shall serve an equal time or an equal proportion of time at home and abroad, because it would then debar us from taking any men who have no private means.

28,720. (*Mr. Hanbury.*) Would it do to say the man was liable to serve either at home or abroad, at the wish of the Secretary of State?—I think so; I think there would be no objection to that.

28,721. (*Chairman.*) One question upon the three kinds of clerks which you have in the Foreign Office. I gathered that the gist of your former evidence was practically this: that to a considerable extent, and especially in the place of the supplementary clerks, there might be a greater employment of the lower or second division clerks, that you did not think it necessary throughout the whole Foreign Office to keep up the present three classes, namely, the political or diplomatic class, the supplementary class, and the lower division class?—That is so. I think the supplementary clerks cannot be abolished altogether. They must be kept to exercise a supervision over the lower division clerks, but there is no reason why lower division clerks who show themselves fit for it should not be promoted, in some cases, to be supplementary clerks.

28,722. Do you think they could be employed at all in any of the political departments of the Foreign Office?—No, I do not think we can employ them in the political departments.

28,723. Do you think that there is no work of a routine or simple character in those departments which they could perform?—I think if we took all the routine work out of the hands of the clerks in the political departments, we should not leave enough work to employ them in ordinary times. We are obliged to keep up rather a large staff in those departments on account of the very great and sudden increase of work which we have occasionally; if you were to say that no man in the political departments is to do copying, there would be times perhaps when he would not have enough to do. Of course they are very hard pressed when there is a great deal to do.

28,724. Is there any work abroad in any of the diplomatic establishments of a simple character which might be done under a pressure of work by some of the lower division clerks who are in the Foreign Office?—I think not. I think the same remark would apply, namely, that it would be merely reducing the secretaries and attachés to a state of idleness in many cases when there did not happen to be much pressure of work. As it is now in some of the embassies and legations, they have a man who is called a chancelier, at least, he goes by that name abroad; we call him a translator and vice-consul. He works in the chancery, and I think the result has generally been that a great deal of the work falls into his hands. For myself, I think it is desirable that all the work should be done by the secretaries and attachés. Of course, a good deal of it is routine work, and a good deal of it is not routine.

28,725. Would you be of opinion that this particular office which answers to the chancelier in the foreign diplomatic establishments might very fairly be done away with, and that it is desirable not to have such an officer at all?—I think in some places it is necessary on account of the language. It is generally combined with the office of vice-consul, where it exists. In some places there is a good deal of consular work to be done, and then it is naturally done by this man, and it is at the option of the head of the mission—the ambassador or minister—whether he works in the chancery or not.

28,726. Do you know in what number of places there are officers answering to that description?—In Paris there is a consul and archivist; he keeps the register of the embassy. At Madrid the consul, I think, takes a certain part in the business of the embassy, but I could not answer your question further offhand.

28,727. Speaking generally, and as a principle, I understand you to be of opinion that it would be desirable that, where possible, these places should be done away with, and that all that work should be done by the staff of the embassy?—I think it is desirable that the work of the embassy should be done by the staff of the embassy. I think it is much better to keep people doing routine work than doing nothing at all.

28,728. Now with reference to the entrance examination for the Foreign Office, are you of opinion that the present examination for entrance to the Foreign Office is a satisfactory one, or have you any suggestions to make whereby you think that examination might be made a better test of whether the candidate has abilities suitable for the work of the Foreign Office?—I think that the examination on the whole has produced very satisfactory results, but we have recently suggested to the Civil Service Commissioners some changes in it, which I believe they will adopt. One is to raise the marks for French and German.

28,729. (*Mr. Lawson.*) Do you mean the proportion of marks?—Yes, from 500 and 300 respectively to 600 each.

28,730. Out of the same total?—No, the total will be increased. Other changes that we have suggested are that additional marks should be given for geography, the history of Europe, constitutional history, and Italian and Spanish; and we have also suggested that the history of Europe should be fixed to the period from 1789 to 1860.

28,731. (*Chairman.*) Has there been any extra importance attached to a conversational or colloquial knowledge of foreign languages?—Yes.

28,732. Then with reference to the consular appointments, have you suggestions to make in any direction which might improve the consular service, say, by giving more promotion within it or more hope of reward for good and active service?—I have had a paper drawn up upon that. I understood that there was some little discrepancy apparently in the evidence which was given with regard to the consular service. Sir Percy Anderson stated, I believe, that it was not graded at all, and the Commission appear to have understood that to mean that there was no system of promotion. What I believe Sir Percy Anderson meant was that consulships are not set down as belonging to the first class, but that when a man gets a consulship the appointment stands by itself, and does not necessarily lead up to another post of higher standing. That is a correct statement; but it should not be inferred from it that promotions do not take place. This paper which I have had drawn up, and which I will put in, contains particulars of all the consuls with salaries up to 500*l.* or above 500*l.* It consists of 94 names. Of these, eight still hold the posts to which they were originally appointed, two of the number being vice-consuls, the remainder have either entered the service as vice-consuls or clerks, or have been given promotion from one consulate or another; there are only eight out of 94 who have not been promoted or transferred. As a matter of fact, although it may be said that the consuls are paid more according to the requirements and the expensiveness of the place than on any other system, there is great ambition on the part of the consuls to go from the less well paid posts to the better paid posts; their applications for promotion are considered and, in the majority of cases, are favourably entertained. For instance, I may take the case of the Consul-General at Antwerp. He began by being vice-consul in Nicaragua; he was then successively consul at Cayenne, Pará, Rio Grande do Sul, Stockholm, Réunion and Cadiz; then he became Consul-General at Odessa, which is one of the best posts in the service. He entered the service in 1858.

28,733. (*Mr. Hanbury.*) Is there any limit of time during which they could stop at a particular consulate as there is in the diplomatic service in which there is a rule limiting the time, I think, about five years?—There is no such rule as regards consuls. In some cases a man remains a great many years at his post; some men do not wish to leave their posts, and, as a rule, we should not force a change upon them.

28,734. (*Chairman.*) A suggestion was made to us that the consulates might be grouped rather more than they are, and that within that group the more important places should be the prizes for successful work. It was stated that the conditions of the consular service were such that the consul who did good work, say in the East, would not be at all fitted for work in another part of the world, and it was therefore suggested that a larger and extended system of grouping the countries, which are of a similar character, such as the countries in the East, should be adopted?—I think that is the idea of applying to other parts of the world the system that exists in China, Japan, and Siam, and the Levant, of having consular assistants who would enter the service by open competition, and who would then be promoted to vice-consulates and consulates.

Sir P. W. Currie, K.C.B.

27 Feb. 1890.

28,735. Yes, with some exceptions that is so?—I think the system might be tried; for instance, in Spanish-speaking countries we might, perhaps, have a system of that kind, but I do not think it would do to take away from the Secretary of State, altogether, the right of appointing men directly to consulates, without having passed through the training as assistants.

28,736. I was referring, not so much to the position of the consul himself, as to the efficient discharge of his duties, and I was looking at it from the point of view that he should always be engaged on the kind of work of which he had knowledge. The instance you have given, of grouping the Spanish-speaking countries, is a case in point. A complaint was made by one of the witnesses that in some cases the consuls, although there is not much shifting, even now might be removed from a place where they had become conversant with the habits of the district to another place where they were not specially conversant with the local habits?—As a rule we try to keep a man to the same kind of posts, and, for instance, in the case of a man who has been at a Spanish post, to move him only to other posts where Spanish is spoken. But this difficulty comes in, that a man may press very much indeed to go to some other place where he gets a higher salary. He, perhaps, complains that he has been a long time in South America, and that his health will not stand the climate—that is a very common thing—and he presses very strongly to be sent somewhere else. If we could we should send him to Spain, but if there is no vacancy in Spain, he may, perhaps, be moved to Germany, or to some other part of Europe.

28,737. (*Mr. Hanbury.*) Take a man like Mr. Giffard Palgrave, who had such a wonderful knowledge of the East. He was moved from there to a place of which he had not an intimate knowledge—to America, I think?—He was moved, first to Siam, and eventually to Monte Video.

28,738. Would his knowledge of the East be of much use in Monte Video?—Sometimes a man may have a knowledge of the East, but it may not be desirable to employ him in the East.

28,739. (*Chairman.*) Just go back to the method of appointment, about which I rather interrupted you, I am afraid. Do you think that the system might be adopted of appointing more young men by open competition to the consular service?—There is the difficulty of expense. I think it was pointed out by one of the witnesses that the expense would be very considerable. Our consular service in the Levant, and our consular service in China are, of course, a good deal more costly than the consular service in the other parts of the world; but I think if that difficulty of expense could be got over, the system might be adopted. I own, personally, I am rather in favour of it; I think it would be rather desirable to have, at any rate, a certain number of men in the consular service who had been trained thoroughly to it from their youth.

28,740. And they would be men entering somewhat upon a different examination from those who enter the diplomatic service. I presume in the examination rather more attention would be paid to questions of trade?—I should select them by open competition, as we do in the China and Levant services.

28,741. Do you think also that there might be some system of personal allowances or distinctions of some sort which might be available for rewarding good service amongst consuls?—Yes, I think that would be very desirable. Sometime ago we equalised the salaries of the consulates in China. They were not all on one level; we put them into three grades. Then, there being a number of consuls with equal service, it was thought desirable that some men who had great claims from long service should get a little more. At the same time, it must be remembered, that if you make the salary higher at certain posts, there is a great difficulty in shifting them about. Therefore, I thought it was advisable that, keeping the salary the same, we should have the right to give the men who had most claim some personal allowance. The Treasury agreed to some personal allowances which we proposed, but they would not agree to our having those personal allowances to give at our discretion, that is, that when one man retired from the service, or was removed to a higher post, and his personal allowance

Sir P. W. Currie, K.C.B.

27 Feb. 1890.

fell in, that we should have the power of allotting it to any man who we thought had a strong claim. They insisted that we must obtain sanction in each case. My view is, that in order to make the arrangements you suggest of much value, it ought to be left to the discretion of the Secretary of State how these good service allowances should be allotted, although the total number of them should be fixed. You might have three or four of them, or more, as the case might be.

28,742. Have you any suggestion to make as to the limit of age for the introduction of consuls into the service?—I do not think it would be desirable, as long as the present system of appointment is maintained, to reduce the limit of age, because you have to meet the case of a man having special qualifications. Take, for instance, such a man as the Consul-General at Zanzibar, who was appointed the other day, from the Indian service. It would have been very inconvenient, I think, in that case, to have had a lower limit of age. It is not often that the higher limit of age is approached. As I show by the paper to which I have referred and which I am going to put in, a very large majority of the men in the service have been appointed, when they were young, to small posts, and have gradually risen. The paper will show exactly how the system works. With the permission of the Commission, I will read another as an example. Take the case of the consul at Dantzig: he receives 600*l.* a year. He entered the service in 1870 as an unpaid officer at Port-au-Prince; then he became acting consul; then he was acting consul-general in charge of the legation there; then he became consul. Then he was moved to Königsberg, and now he has been moved to Dantzig. He, no doubt, has gone from a Spanish-speaking country to a German one.

28,743. Still, presumably, he was fit for it, or you would not have made such a change in his case?—I have no doubt that he knows German.

28,744. Would you be in favour of the appointment of more consuls-general, or of more commercial attachés?—I think it would be very desirable to have more if the Treasury were prepared to sanction the expense, which is high. I see that a suggestion has been made by Mr. Law which I think is worth trying; that is, that an allowance should be given in each of the embassies and principal missions to one of the secretaries, in order that he should give special attention to commercial questions. That seems a good suggestion, and I think we might in time, perhaps, get some of those men to qualify themselves to do the work of commercial attachés; that would be less expensive than specially appointing commercial attachés.

28,745. (*Mr. Lawson.*) Mr. Law said, I think, provided the secretary had the commercial knowledge?—I would not give him the allowance until he had acquired a certain amount of commercial knowledge. I agree in Mr. Law's view, that a candidate for the allowance should work for six months, or twelve months, in the commercial department of the Foreign Office; and then he might go to some consulate if he was willing to do so. But I cannot say until we try the system, how it would work, or whether the men in the diplomatic service would take to it; I have no doubt some of them would.

28,746. (*Chairman.*) Now let me ask you a question or two on the operation of the Diplomatic Pensions Act. It is very considerably different, is it not, from the ordinary Superannuation Act, under which the Civil Service pensions have been given. I believe the pension may begin after 15 years' service from the date of the commission, and after 10 years' actual service abroad?—Ten years' actual service, exclusive of the time they may be absent on leave.

28,747. That entitles a man, according to whether he has been in the first, the second, the third, or the fourth class, to a pension, the maximum of which is fixed in the first class at 1,700*l.*, the second 1,300*l.*, the third 900*l.*, and the fourth at 700*l.*; have you any suggestions to make about that?—I can only say that the present scale of pensions was recommended by a committee which sat in 1827. At that time the diplomatic pensions amounted in the whole to 57,000*l.* a year, and the salary list amounted to 140,000*l.* a year. The committee decided that that was too large a sum to give in pensions, and they reduced them to a maximum of 40,000*l.*, and they fixed, practically, the present scale of pensions; therefore that scale has existed since 1828. The total of the diplomatic pensions at the present day is 25,950*l.*, and the salary list (which now includes second and third secretaries, dragomans, and other members of the service who were not formerly included) amounts to 180,000*l.*

28,748. That salary list of 180,000*l.* is composed of the salaries of those who will come upon the pension list?—Yes, who are on the diplomatic establishment.

28,749. It is a more liberal scale, is it not, than prevails in the Civil Service generally?—Yes. As to the question why an ambassador should receive such a large pension as 1,700*l.* a year——

28,750. I would not pick the ambassadors out specially, but that is a larger pension, is it not, in proportion to salary than the ordinary Civil Service pension, and it is also earned at an earlier period?—I would point out that the Queen's representatives occupy a high position abroad, that they do not retire generally at an early age, and that when they have to break up their establishments abroad, and come and live in England, they are not quite in the same position as men who have served in an office in London, and who have been accustomed to a different scale of living.

28,751. (*Mr. Hanbury.*) But their establishments have been paid for them all this time?—They have been paid salaries, but they have not been paid at a rate which enables an ambassador to save anything. I think that that has been recognised by all the committees who have sat on the diplomatic service, that the salaries do not enable the members of the diplomatic service to save anything.

28,752. Do you know what pensions are paid by other nations? In the tables you have sent us we have not got that information; we have only got the salaries, I think?—I do not think we have put anything in to show that; I have not been asked for that.

28,753. Can you get that information?—Yes, I have no doubt I can. I may point out that the existing system has been established for a considerable time.

28,754. (*Chairman.*) Then I observe also, under section 8 of the Pension Act, that when any invalided secretaries are pensioned, the Treasury has the power of granting to them the advantage of receiving one-thirtieth part of the amount of the annual salary instead of one-sixtieth, as in the Civil Service?—I believe the reason of that is that, as a rule, they do not begin to qualify for their pension so soon as members of the Civil Service do. In the first place, the limit of age is 26: they do not enter so soon, and then they do not begin to qualify until they get their commission as third secretary, which is some time after.

26,755. (*Mr. Lawson.*) They do not enter until 26?—Twenty-six is the limit of age.

28,756. The limit of age, but not the average?—No; it is the topmost limit. There has been some correspondence going on between us and the Treasury with regard to the fourth class pensions of 700*l.* a year. Those pensions are practically for secretaries who have never been promoted to independent missions. Formerly that 700*l.* a year could only be earned after a long time of service. According to the Pension Act, a man must have a commission for 15 years, and formerly he did not get a secretary's commission until he became a first secretary, and for many years of his service he was a paid attaché without commission. That was changed in 1861, and a man now gets a commission as a third secretary very soon after his entry into the service. Consequently he may qualify for this 700*l.* a year pension, very much more quickly than he formerly did. There has been an objection made on that score, that a man who had only served just over the 15 years might claim a pension not exceeding 700*l.* a year. We quite admit that that was more than was contemplated; that matter has been discussed, but it is not yet settled.

28,757. (*Chairman.*) There is no pension earned, I think—no right to a pension given to any person in the diplomatic service until he has attained the rank of secretary?—The second or third secretaries may have pensions. They come under the eighth section: "Pension to invalided secretaries." The following clause applies to them—"Where a person holding a commission as second or third secretary in Her Majesty's diplomatic service" "is constrained from infirmity of mind or body to leave that service," "the Treasury may grant to him an allowance during his life not exceeding for each year of his service" "one-thirtieth part of the amount of the annual salary

"which he may be receiving at the time that he leaves "the service."

28,758. (*Mr. Cleghorn.*) He must have served five years abroad?—Yes, he must have served five years from the date of his commission.

28,759. (*Mr. Hanbury.*) Who certifies that he is invalided?—There is a medical certificate.

28,760. Any medical certificate, or a certificate from a Foreign Office doctor?—I think if he gets a medical certificate from one of the leading physicians, that would be accepted.

28,761. Would not it, as a matter of fact, be accepted from any medical man, as we find it was in the Civil Service generally?—I think if we had any doubts, we should require the man to go to some leading physician. I have known that done.

28,762. That case has arisen then?—There have been cases—I will not say amongst the diplomatic secretaries, because I cannot recall a case in which any man has retired under that section; but there have been cases in the consular service where we have made men go before a medical board.

28,763. (*Mr. Lawson.*) Have those cases been decided against the officer?—I can hardly say at the present moment, whether they have or not. I do not remember, but I know that that has been done in several cases.

28,764. (*Chairman.*) Generally speaking, I believe the consular pensions are the same as the Civil Service pensions, and that they do not follow the Diplomatic Act?—Yes.

28,765. Now let me ask you to look at the table showing the total cost of the diplomatic establishments for various countries, which you have been good enough to hand in. I see that the cost for Great Britain is 189,000*l.*; for France, 161,000*l.*; for Germany and Prussia, 145,000*l.*; and for Russia, 147,000*l.* There appears to be a considerable difference in the cost of the embassy in Paris, which is 15,600*l.*, whereas the German embassy in Paris is 9,000*l.*, and the Russian is 10,000*l.* That appears, at first sight, to be a very large difference, and some explanation is necessary why the British embassy should cost so much?—I think the explanation is, that we keep up a larger and no doubt a more highly paid staff. If you look at the particulars you will see that the ambassador at Paris receives 9,000*l.* a year. Then we have the secretary of the embassy with 1,000*l.* a year and an allowance of 200*l.* for rent. Then three second secretaries, 1,245*l.*; two third secretaries, 500*l.*; a commercial attaché who receives 1,300*l.* and 200*l.* allowance; and then a registrar who receives 650*l.* The post of registrar is held by a gentleman who is consul. He has been in the service a great many years, and I should imagine that it will not be necessary to continue that appointment when he retires.

28,766. (*Mr. Hanbury.*) Does he draw that amount as well as his pay as consul?—He draws some pay as consul—some small emolument. The 650*l.* is borne on the diplomatic vote. Then at the embassy at Paris there is a fuel and light allowance of 1,000*l.*, which is necessary because we have such a large and expensive house there. Then there is a commuted allowance, to cover divers expenses, of 500*l.* That makes a total under the head of salaries of 15,295*l.* The ambassador's salary was reduced not long ago from 10,000*l.* to 9,000*l.*

28,767. When Lord Lytton was appointed?—Just before he was appointed.

28,768. (*Chairman.*) Have you at the Foreign Office ever considered why it is necessary to keep so many secretaries at Paris. I think you yourself, speaking of it, used the words "a large staff"?—There is a great deal to do there, and then remember that our service, in consequence of the recommendations of various Commissions, has been made into a regular established service. It was recommended that the men should have commissions as second and third secretaries, and naturally in consequence their pay is high—higher than in other countries where I think they employ unpaid attachés a great deal—certainly they do in France.

28,769. (*Mr. Hanbury.*) Do you know when the last of these committees or Commissions sat?—In 1871.

28,770. (*Chairman.*) The greatest difference in the cost of our embassies, as compared with those of other countries, appears from this table to be at Paris?—Yes, I think it is. That is no doubt owing partly to our having a commercial attaché there. That gives an increase of 1,500*l.* a year. If you take off the commercial attaché, that would bring it down to about the level of the Russian embassy, I think.

28,771. Has there been any reduction in the cost of the embassy at Paris?—The salary of the ambassador has been recently reduced.

28,772. And that of the ambassador at Berlin, I think, was raised?—The salary of the ambassador at Berlin has been raised.

28,773. Our ambassador at Berlin gets 1,500*l.* a year less than the ambassador at Paris—is that not the case?—Yes, the ambassador at Berlin gets 7,500*l.*

28,774. Why should there be a difference between them?—It is not considered that Berlin is such an expensive place as Paris.

28,775. Then that difference would probably answer to the difference in the *Frais de Représentation* supplied by that country?—Yes; the salaries have been adjusted to meet the requirements of the different places, and of course we are giving lower salaries where the expense of living is not so great. The ambassador at Madrid, for instance, only gets 5,500*l.*, and no doubt the expense of living is very much less there.

28,776. Then, taking the salaries of the ambassadors, does this list represent what really ought to be the difference in the various capitals?—I should say that the ambassador in Paris ought to receive more than the others. I believe greater expenses are thrown upon him. The expense of living in Paris is very high.

28,777. (*Mr. Lawson.*) Not so much as in St. Petersburg, is it?—Yes, I think so. No doubt some things are more expensive at St. Petersburgh, but there is not the same wealth there.

28,778. (*Chairman.*) I observe that at St. Petersburg there is the same number of secretaries that there is at Paris, and that there is also a commercial attaché?—There are only two second secretaries at St. Petersburg; at Paris there are three.

28,779. There are nine on the staff?—Yes; there are three third secretaries at St. Petersburg, and there are only two at Paris. Then there is a commercial attaché and a translator.

28,780. (*Mr. Lawson.*) Of course these salaries depend to some extent upon the cost of entertaining and the necessity for it?—Yes, certainly upon the cost to which an ambassador is put in living. All the ambassadors represent to us that their expenses are very great. I am convinced that that is true, because I have been at an embassy. I was private secretary to Lord Kimberley when he was a minister at St. Petersburg, and I know that without being extravagant, he spent a good deal more than his salary.

28,781. Is not it the case that the expense of entertaining at St. Petersburg—I only speak about it from hearsay—is greater than at any other capital?—I should hardly say it was as great as at Paris. I believe that entertainments in Paris are on a more costly scale than anywhere else.

28,782. (*Chairman.*) To go back to this comparison of the embassy at Paris. The difficulty I feel is this. Take the case of the foreign embassies to Russia. If you look at the table you will see that the cost of our embassy is 12,000*l.* in round figures; the cost of the French embassy to Russia is 13,000*l.*, being absolutely more than ours. It cannot be said, I suppose, that French interests are more involved in Russia than ours are, or that French trade with Russia is more than ours. Therefore on those figures a comparison may be made favourable to this country. When, however, we come to the French embassy to Great Britain, we find that it costs something like 10,000*l.*, whereas our embassy at Paris costs 15,000*l.*, which is greater than the cost of any other embassy there. Some further explanation, therefore, appears to be necessary?—Where could the reduction be made? There is the salary of the ambassador, 9,000*l.* We certainly have always heard that the expense to which an ambassador is put in Paris is very great indeed. I think the feeling of all the ambassadors would be that Paris is the most expensive place. To begin with, we have got a very large, and of course very costly, house there.

28,783. (*Mr. Lawson.*) It is paid for?—It is paid for, but it is expensive to live in a very big house.

Sir P. W. Currie, K.C.B.

27 Feb. 1890.

28,784. (*Mr. Hanbury.*) What do the Russians pay for their ambassador?—8,000*l.*

28,785-6. I want to know why our ambassador gets a higher salary than anybody else?—He formerly got a very much higher one——

28,787. Yes, but I am talking of the present moment?—And it has been reduced lately to 9,000*l.* I think it would be undesirable to reduce it any further.

28,788. Why should we pay more than other nations?—We pay, as a rule, higher salaries than other nations.

28,789. We do in the Home Service, I know, because it is said the expenses are so high, but in Paris the expenses for one nation are the same as for another?—My own opinion is that 9,000*l.* a year in Paris does not go any further than 7,500*l.* a year in Berlin.

28,790-1. I am comparing the salary of the English ambassador with that of the Russian ambassador and of the German ambassador in Paris; they are all three living in Paris, and have the same expense. (*Chairman.*) Following up Mr. Hanbury's question, the German ambassador gets 6.000*l.* a year, including his Frais de Représentation, and in both cases the house is free and kept up. We are not saying that the English salary is not right, but still the Commission would like to have some reason for it. (*Mr. Hanbury.*) Do you know whether in the Foreign Embassies, in the case of the German ambassador in Paris, for instance, the Frais de Représentation is supposed to cover all that the ambassador spends on hospitality, and whether, in his case, the 900*l.* salary is left absolutely untouched?—I think it is only a mode of fixing the salary. I do not think it is anything else; it is the way in which they choose to put it.

28,792. Is not it a fact that the whole cost of the German Embassy at Paris is only about 200*l.* more than the bare salary of our ambassador there?—It certainly appears to be so from this return. Of course it is impossible to say whether that return really represents the whole expenditure.

28,793. It does not include the pensions, we know?—Whether it represents all the expenditure on the embassy, I mean.

28,794. (*Mr. Lawson.*) I suppose the Russian diplomatic service is not supposed to be very parsimonious, yet I understand that it is exactly the same with the Russian Embassy in Paris, that is to say, that it is about 9,000*l.* altogether, and that the Russian and the German Embassies are nearly on an equality in that respect?—The Russian establishment is put down at 13,080*l.*

28,795. The Austrian is put down as 10,720*l.* on the comparative table?—You must remember that we keep at Paris a commercial attaché and a registrar. The latter is no doubt an expense that will be done away with as soon as the man retires. That deducts, for purposes of comparison, 1,500*l.* for the attaché and 600*l.* for the registrar, making 2,100*l.* That amount should be taken off in comparing the two embassies, but we, no doubt, keep a more highly paid staff.

28,796. The truth seems to be that a lot of the routine work is done in the German and Russian embassies by men of a lower rank than with us?—Probably it is.

28,797. (*Chairman.*) You have suggested that possibly the men in our service occupying posts answering to the chancelier in other services should be done away with, and that more work should be done by the attachés and secretaries, because there must necessarily be a time when they have not much to do?—I may point out that our present system of having a number of third secretaries and second secretaries was adopted on the recommendation of a Committee of the House of Commons. The former system was to have more attachés who were not commissioned officers as these are, and of course the change has added to the cost.

28,798. (*Mr. Lawson.*) What Committee?—The Committe of 1871.

28,799. Do you mean the House of Commons Committee?—Yes, the Diplomatic and Consular Committee.

28,800. (*Mr. Cleghorn.*) What was the reduction made in the ambassador's salary?—His salary was reduced by 1,000*l.*

28,801. He got 10,000*l.* before?—Yes

28,802-3. Do you happen to recollect how long it is since the last reduction?—The last reduction was made between Lord Lyons's departure and Lord Lytton's appointment.

28,804. That is very recent?—Quite recent. With regard to the rate of salary at Paris, I think that it is undesirable to put all the embassies down exactly to a dead level. Paris, no doubt, has always been looked upon as—I will not say the most important—but no doubt it is looked upon as the prize of the service, and for that reason I think it should be kept a little above the others. In addition to that I have no doubt that the expense incurred by an ambassador at Paris is considerably larger than anywhere else. I think anybody who has seen what entertainments are in Paris, what the general cost of living there is, and what an enormous number of wealthy people there are there, would see that it is a very expensive place. On a small scale I have no doubt you could live there cheaply, but the moment you try to live on a large scale the expense is enormous in Paris.

28,805. (*Mr. Hanbury.*) But then we do not have this dead level which you talk of with the embassies of other nations. The fact is that they start on a lower level, and do not reach such a high one as we do?—There is no doubt that our scale of pay is high, but, as I observed before, all pay in England is higher than in foreign countries. For instance, the clerks in the Foreign Office in Paris are not paid so much as the clerks here, and the judges in France are paid very much less than the judges are here.

28,806. Is not the answer to it, that that has been done because the cost of living in England is assumed to be higher. Here we have the ambassadors of several nations living in Paris, where the cost is and must be exactly the same?—It depends, no doubt, upon how much they entertain and what their style of living is.

28,807. (*Chairman.*) I think that the cost of chanceliers generally is higher and that they cost more than our third secretaries. In our case the two third secretaries cost 500*l.*, say 250*l.* a piece, but the German chancellors are one at 330*l.* and another at 310*l.*, and another at 285*l.*?—Then we have in Paris three second secretaries.

28,808. When we are talking of having so many secretaries, and comparing them with the chanceliers, the former seem to cost less than the others?—Yes.

28,809. (*Mr. Harvey.*) When the 9,000*l.* a year was fixed for the ambassadors at Paris, was there before the Committee a statement of the average expenditure of the ministers for a certain number of years? Why was the 9,000*l.* fixed?—9,000*l.* is a reduction from the previous salary of 10,000*l.*

28,810. Then were these reductions made on a sort of rule-of-thumb plan, or because it was thought possible that an officer could be obtained to perform the duties at the reduced salary?—They were made in order to enable additions to be made elsewhere. Considerable steps have been taken towards equalising the salaries at the embassies. Looking back a few years ago you will find that the salary at Berlin was considerably lower, but the expense of living has much increased there. Representations are frequently made by the ambassadors that they are obliged to spend a great deal of their private fortune, which some of them can ill afford.

28,811. (*Mr. Lawson.*) In those days it was only the Prussian Court which was at Berlin?—Yes, and it was not so expensive, no doubt. I think the ambassador received 6,000*l.* a year formerly.

28,812. (*Mr. Harvey.*) I think you prepared a scheme, did not you, for open competition for interpretorial and consular work in Turkey, the Levant, and Morocco?—I did.

28,813. On page 2 of your memorandum on the consular service, you give a list consisting of one vice-consul interpreter, then a certain number of consuls and other vice-consuls, then assistant vice-consuls, then four students in training. Do those represent the result of your scheme?—That is the result of the scheme after it has been 10 years in operation.

28,814. And are you satisfied with the working of that scheme?—Yes, very much so.

28,815. The criticism we have heard made upon it is that it is more costly, because of the necessity to provide a ladder of promotion for the various men who

enter; would you tell me how the promotion runs through that body of men?—In the first place, the students remain for two years at Ortakeui, in the neighbourhood of Constantinople, where a house and teachers are provided for them. They are lodged at the public expense, they receive 200*l.* a year to enable them to live, and their teachers are paid by Government. At the end of two years, if they pass the final examination, they become assistants and they are then sent to the consulates or to the embassy.

28,816. What salaries then?—They then receive 300*l.* a year.

28,817. And then?—Then as posts fall vacant they are promoted to vice-consulates, and when they have worked their way up through the vice-consulates they are promoted to be consuls or dragomans. You will observe one is vice-consul interpreter attached to the embassy at Constantinople. He does a great deal of dragoman business. There is another one attached to the consulate-general at Constantinople; there is another one attached to the legation at Teheran. Those men should eventually rise to be the chief dragomans, if they are sufficiently capable. Then two have been promoted to consulships, one at Suakin and one at Bengazi. There are then eight who are vice-consuls, and the remainder are still assistants, and of course they must wait for vacancies to get their promotion.

28,818. (*Mr. Lawson.*) These dragomans have been Levantines in the past, of course?—Formerly they were Levantines. The present system will replace them by natives of Great Britain or Ireland.

28,819. (*Mr. Harvey.*) Still you have insured that there is a perfect knowledge of the language?—Certainly.

28,820. And that men are sufficiently long in this group of countries to be thoroughly acquainted with all that appertains to their business?—Yes.

28,821. Now, do you see any trouble whatever in the further development of such a system as that?—The moment you apply this system to countries where the acquisition of the language is not nearly so difficult you would, perhaps, not have the same justification for the large expense that you go to. Unless a man has had a regular training he cannot acquire enough Turkish—at least only a very exceptional man could—or Arabic or Persian to enable him to dispense with the assistance of dragomans. Still more is this the case in China where you have the same system; but when you come to adopt this expensive system in Spain you see that there would not be the same ground for it, because, no doubt, any man who takes the trouble can learn Spanish very well in six months or a year. It is a very different thing from learning an Eastern language.

28,822. Then why should there be the necessity for this larger number of appointments, which constitutes the increased expense?—The object of instituting this service was to obtain men of British or Irish birth, who know the language. That is not the case in Spain or Germany, because, of course, there are plenty of Englishmen who know those languages.

28,823. Then to that extent would it not be all the more easy to apply the system of open competition in the way that you have in the Levant and Turkey, to the other European countries?—I should be very glad, personally, to see that applied if the expense was not thought an objection. Naturally, if you take these men, and to train them in the languages, you then would have to employ them as assistants at the various consulates; and each assistant would require about 300*l.* a year and lodgings—or a lodging allowance. Then having worked his way up to a vice-consulate, he would get about 400*l.* a year. Of course this adds very much to the expense of the service; there is no doubt about it. According to the present system you appoint a man consul; he probably appoints as unpaid vice-consul a merchant in the town, and a clerk whom he pays out of his office allowance; he pays that clerk much less than we should have to pay him; so that the system proposed would be more expensive.

28,824. Still we have no guarantee that under the present system the man who enters the consular service is at all fit for his post; the examination even is not compulsory?—The examination is compulsory, except in very special cases. The reason for enabling the Secretary of State to dispense with that examination is, that if a man who has distinguished himself in other ways, and who is no longer young, is appointed to a consulship, it would not be possible to make him go through an examination; but all men who enter under ordinary conditions go through the examination.

28,825. A simple test examination?—Yes, a simple test examination.

28,826. (*Mr. Hanbury.*) No part of that examination is in the language of the country to which they are sent, is it?—Not necessarily.

28,827. As a matter of fact, we have no guarantee whatever that any consul can speak the language of the country to which he is sent. (*Mr. Harvey.*) Is that so? I see that one condition is that they are expected to satisfy the Civil Service Commissioners, "that they "have a sufficient knowledge of the current language, "as far as commerce is concerned, of the port at which "they are appointed to reside, to enable them to com- "municate directly with the authorities and natives of "the place." (*Mr. Hanbury.*) I am not referring to port consuls, I am referring to consuls elsewhere?—They must know French.

28,828. (*Mr. Harvey.*) Do you consider that that test examination is really sufficient to provide the sort of men that we want for the consuls?—I think, as a fact, that the men whom we have as consuls are competent to perform their duties. I have heard very few complaints. Of course there are hard bargains in every profession, and I have no doubt we have got some consuls who are not satisfactory, but the majority of them are. We very seldom hear any complaints, and there is a good deal to be said for selecting a man who has seen something of the world in other capacities.

28,829. (*Mr. Hanbury.*) What means have you, when they have once been appointed, of knowing what they are doing, and how they are getting on. Do you have reports on them sent by anybody?—They are in constant communication with the Foreign Office; when they come home they come to the Foreign Office, they are seen, and can be judged from their reports; also they are under the superintendence of the minister or ambassador of the country in which they are.

28,830. Does he report upon them in any way?—He would certainly report if there was any complaint against them.

28,831. As a matter of fact, he does not make any formal annual report?—No, I do not think there is anything of that sort.

28,832. (*Mr. Harvey.*) Still, I understand you to be of opinion that it would be possible to extend the application of open competition to the consular service?—I think, to a limited extent, it might be done. Of course, such a scheme would require a great deal of careful working out before one could really pronounce an opinion upon it.

28,833. Yes, but the Secretary of State being always at liberty, in exceptional cases, to appoint exceptional men?—To appoint exceptional men.

28,834. (*Mr. Lawson.*) As he does now in the case of the diplomatic service, when he selects a commercial attaché like Mr. Law?—Yes.

28,835. (*Mr. Harvey.*) We have had a suggestion made to us that the whole of the consular service should be divided into groups, based upon similarity of language, and similarity, somewhat, of political conditions, and that promotion should take place only within that group, so that you should ensure that within that group all the consuls thoroughly understood everything connected with the business of that group. Would you favour such an idea as that?—I do not think it would be well to establish any hard and fast rule. As I said, considerations of health very often come in. A man has lived for some time in a hot country, he is very anxious to be moved to a colder place. As far as shipping goes, the duties of a man are very much the same in all European countries.

28,836. (*Mr. Lawson.*) With respect to the organisation of the diplomatic service, I understood you to say that the number of secretaries is due to the recommendation of the Committee of 1861, is it not?—Yes, 1861.

28,837. I find that the Committee of 1871 recommended that at each embassy and legation there should be a permanent officer having charge of the records acting as translator, and receiving a fixed salary for his services. That is the man, I understand, whom you recommend should be more or less abolished?—I was asked whether I thought it would be a good thing to employ lower division clerks. I presumed they

Sir P. W. Currie, K.C.B.

27 Feb. 1890.

would hold that sort of appointment, and I said, no, because I consider that if you put all the routine work in the hands of a man like that, you would at times leave the regular members of the embassies without sufficient work.

28,838. Then if these regular members of the embassies have nothing to do, would it not seem the simpler way to decrease their number and to put in these chanceliers, or men of that class to do this routine work?—That practically would be altering your diplomatic service, and it is a large question to go into. If you are to have trained diplomatists you must have this ladder of third, second, and first secretaries.

28,839. I was not dreaming of that. All I was thinking of was whether in some places where there is all this routine work to be done, which might be put into the hands of a lower paid class of man, you could not reduce the number on the principle suggested by this committee. I mean to say that you might have everywhere a translator or chancelier?—If you will allow me, with reference to that point, I will read from a memorandum which Lord Granville wrote on the recommendation of that committee with regard to the question of a permanent officer: "Lord Granville is "not prepared to recommend to the Treasury to adopt "generally the suggestion that a permanent officer as "keeper of records and translator should be attached "to the embassies and larger missions. The appoint- "ment of keeper of records exists at Constantinople "and at Paris, where the archives are very voluminous; "but at other places it does not appear to Lord Gran- "ville necessary to incur the expense of such an "appointment. As a general rule the tendency of such "an appointment would be to take away from the junior "members an inducement to make themselves ac- "quainted with the correspondence, to relieve them from "the very useful employment of making references and "reports; and to release them from an incentive to "acquire proficiency in foreign languages, by render- "ing their services for the purposes of making "translations quite secondary. Lord Granville con- "siders that every inducement should be held out and "every obligation imposed on the junior members of "the diplomatic service to pay strict attention to these "points; though peculiar circumstances may, in some "cases, render the appointment of a translator to "missions necessary."

28,840. I understand that, so far as the acquisition of difficult languages is concerned, you offer an inducement in the shape of an allowance of 100*l.* for Arabic, Turkish, Japanese, and Chinese?—Yes.

28,841. Therefore it is only a matter really of correspondence. Then you do think we cannot in any way take advantage of the experience of other countries in this direction?—I do not think it is desirable. If your object is to reduce the numbers of the diplomatic service something perhaps might be done in that direction, but then it gives you, of course, a smaller number of men to choose from for your high posts, and in times of pressure you would find it difficult to man all your embassies; even now it is difficult.

28,842. But would it be so with an amalgamated service?—With an amalgamated service I think probably the result would be that the Foreign Office would be more largely manned than it is now, because there is always more or less a pressure of work there, and if the services were amalgamated it would probably absorb a great many of the men.

28,843. The men who are doing nothing abroad would be brought home?—Yes. I would not say "nothing," but comparatively little.

28,844. Doing very little?—Of course they have much less regular work than we have here.

28,845. Leaving the question of these foreign chanceliers, do not you think it would be an advantage to the Foreign Office if, when there is a great pressure of work, you could bring men home?—We can do so under the present system with their consent; and I think that it is desirable that that system should be extended.

28,846. (*Mr. Harvey.*) Would the power for you to bring those men from the diplomatic service, when you had a stress at the Foreign Office, be increased if the examination and the conditions of entry for the diplomatic service were assimilated to those of the Foreign Office?—Yes; if the services were amalgamated the facility no doubt would be greater. As it is now, we do not, as a rule, have any difficulties; there are generally men abroad who are anxious to come home for a time.

28,847. (*Mr. Lawson.*) I want to deal for one moment with the difficulty you see in abolishing what is really the property test for the diplomatic service; is not it a matter of practice that men are not appointed to places where a large standard of expenditure is always maintained, unless they feel themselves that they are capable of bearing it?—I think that all foreign service entails a certain amount of expense. There is no rule of property qualification laid down, but the practice is that the private secretary, when appointing a man, says it is considered that he should have 400*l.* a year; that is really what is done.

28,848. Yes, I am aware of that. What I meant was that in a service such as yours there is a good deal of understanding that does not take the form of an absolute rule; would there be any great difficulty in working an amalgamated service, knowing, as you do, the conditions of most of the men who are your colleagues and under you?—I think there are many men in the Foreign Office who could not afford to go abroad.

28,849. They would not be asked, or they would not accept?—No.

28,850. Then there would be no difficulty in that?—Of course it would be rather difficult if the men are all put exactly on the same footing to ticket them, "This "is a man who has got 400*l.* a year," and "This is a "man who has not."

28,851. Of course, but practically in the case of the more expensive posts in the diplomatic service which require more than that, you have to do it at the present time?—I think if the Commission saw fit to recommend that some extension should be made of the partial amalgamation that may be said now to exist, we might, perhaps, find some scheme by which the services might be made practically one, and at the same time provide that no man should be obliged to go abroad if his means did not allow him to do so.

28,852. Would not this be the result—I will take a place like Constantinople. Suppose at any one time, or for any period of time, there was but little to do there, and you had a good deal of business of another sort to do at the Foreign Office connected with another part of the world; you could bring home one of their men, and use him temporarily, and of course he could go back there in case of pressure?—That would certainly be an advantage. At times of pressure in the Foreign Office, we generally do have a good many men from abroad, but they come in at their own request; we should not compel any man. If this system that you suggest was carried out, we should have more control over them, and I think it would be a good thing.

28,853. At the present time, of course, the system is by exchange?—By exchange, and also by a man saying that it is an object to him to be in London for a year; he asks to be attached to the Foreign Office, and if he is a useful man, and we think he will work well, we generally say "yes."

28,854. How is he paid—at his present rate of salary?—It makes no difference, he keeps his second secretary's pay, or whatever it is.

28,855. You do not make any difference in that case, on account of the difference between the cost of living at home and abroad?—No.

28,856. In regard to the question of diplomatic pensions, I understood you to say, that, as a matter of fact, you had not had any case in the fourth class in the diplomatic service where you could recollect an application with a medical certificate for ill-health?—I remember that there was such a case the other day.

28,857. Supposing after a man has retired under those conditions he is found to be doing work and earning a salary in the City of London or anywhere else, would you interfere with him?—Any man who has retired on the ground of ill-health, whose health is restored, may be offered employment again.

28,858. Is that done?—I think the Treasury rule says, if he does not accept it he forfeits his pension.

28,859. I was thinking rather of the practice than of the rule?—I do not know any case in which a man's pension has been taken away.

28,860. (*Mr. Hanbury.*) What are the terms of the medical certificate?—That depends on the medical man.

28,861. When an official retires from the diplomatic service, does the medical certificate state that he is permanently incapacitated before he can draw this pension?—I do not know whether it is possible to say that a man is permanently incapacitated; he might recover from his ill-health.

28,862. They do give that certificate in the Civil Service, and I want to know whether that is the case in the diplomatic service?—I do not think there is any rule as to the wording.

28,863. What I want to get at is on what medical certificate do you grant a pension in the diplomatic service?—I should say if a man went to one of the leading London physicians, and got from him a certificate stating that he considered the man was unfit to perform his duties, and that his health did not allow him to go abroad, or anything of that sort, that that would be sufficient.

28,864. And he would continue to draw a pension for the remainder of his life on that certificate?—Of course if he afterwards recovers his health, he may be offered further employment.

28,865. What means have you of knowing whether he recovers his health?—Probably, if we heard of him speculating in the City, as was suggested, or riding to hounds, we should come to the conclusion that he had recovered his health.

28,866. (*Mr. Lawson.*) Do not you think steps ought to be taken from time to time to find out whether he has sufficiently recovered from his ill-health to do the State some further service?—I think the people who retire are not generally persons whom it would be a very great advantage to the public service to get back again.

28,867. No; but then, perhaps, it is not to the advantage of the State to go on paying them a pension?—The only way in which you could withdraw a man's pension, would be to offer him a post abroad, and it would perhaps be a greater misfortune if he accepted it than it would be if he should continue to draw the pension.

28,868. (*Mr. Hanbury.*) When you say that those people who retire on medical certificates are not, as a rule, people that you would like to employ again; is that on moral grounds or merely on medical grounds? It comes to this: Is the medical certificate ever used as an excuse for getting rid of incompetent men or men whom for other reasons, except those of health, you would like to get rid of?—We certainly should not recommend a man to the Treasury for a pension unless he produced a satisfactory medical certificate, and the Treasury would not grant his pension without seeing it.

28,869. That is not quite my point; what I want to know is this, whether this medical certificate is ever made use of to get rid of public servants on other grounds than those of ill-health?—Not to my knowledge.

28,870. (*Mr. Lawson.*) In our second Report, which applies to all the departments, we say that, "We are "of opinion that the competency of the pensioner in "respect of health to perform the duties which he is "required to undertake, should be verified in case of "refusal by independent medical testimony to the "same extent as we have proposed to require before "the pension is granted. It is the duty of the "Treasury and the departments to be vigilant in "recalling to service all pensioners who are likely to "be fit for it. And the onus of proving cause of "exemption rests on the pensioner." Do you think that ought to be rigidly enforced in your department?—Certainly. I think that a medical certificate should be genuine.

28,871. That you should take those precautions that we suggest?—If it is thought necessary I see no objection to taking them, but in a very small service like ours the circumstances under which any man retires are so well known that it would be hardly necessary that we should make rules about a medical board, but I see no objection to making a man go before one.

28,872. Taking the third-class pensions, do many men come under that class to your knowledge, that is to say, the class for envoys and ministers of the second class?—Yes, the posts in South America, for instance, entitle a man to a third-class pension.

28,873. And he has only got to be there five years, and there is nothing more asked of him, is there. He must have "actually resided in some foreign State or "States, either continuously or on different occasions "during a time amounting in the aggregate to five "years." That qualifies him for receiving a third-class pension of 900*l.* per annum?—Each class comes under the same conditions. I will ask permission to read a short memorandum on the subject: Sections 6 and 7 of the Diplomatic Pensions Act (page 265 of the Foreign Office List) empower the Government to grant pensions to members of the service at the expiration of 15 years from the date of the first commission, and provided they have actually served 10 years. The pensions are divided into four classes, namely, not exceeding:—For a first-class pension, 1,700*l.*; for a second-class pension, 1,300*l.*; for a third-class pension, 900*l.*; and for a fourth-class pension, 700*l.*, subject to special conditions attaching to the grant of pensions of the first, second, and third class, and to the general condition that the pension shall not exceed the salary which the officer was drawing at the time of his retirement. These conditions are found, as regards first, second, and third class pensions, to work fairly and equitably as regards both the Government and the members of the service. The pensions of the fourth class I have already made a statement about. They are the pensions given to the secretaries.

28,874. Fifteen years from the date of his first commission you said may mean more than 15 years in practice, because a commission is only given to a secretary?—It is only given to a secretary, and it would be more than 15 years in practice.

28,875. What would it be, 18 years?—Yes, it is two years before a man gets his commission as third secretary.

28,876. Do you think that the diplomatic pensions ought to be put upon the same footing as other pensions?—I think not. I think the circumstances are exceptional.

28,877. Turning to another subject, I should like to ask you whether you can make any exact statement to the Commission as to the proposed amalgamations in the German missions further than what you did in your former evidence?—Do you mean whether it could be carried any further?

28,878. Yes, and faster?—One has just been made.

28,879. Which is that?—You will see that there is a note in the Estimates stating that on the retirement of the minister at Stuttgardt there would be one. Well, the minister at Stuttgardt has now retired, and the subject of his pension is before the Treasury.

28,880. As a matter of fact, I think, that we come second or third in the list of Powers, putting Prussia on one side, in the number of our German legations and missions?—Of independent ones?

28,881. I think of independent ones?—Because in the greater number of them we are only represented by the ambassador at one of the great courts.

28,882. Take Saxony for example: France has no legation there; we have a legation?—We have a chargé d'affaires there.

28,883. At an expense of 950*l.*?—Yes.

28,884. At Coburg we have a chargé d'affaires, I suppose?—Yes.

28,885. France has nothing?—No, Coburg, is a family court; that is the reason why we have a secretary there.

28,886. France has no representative at Wurtemburg, but we are now going to abolish our minister there, I understand?—That is so.

28,887. Our legation there costs 1,700*l.* a year?—I presume that the French representatives at the minor German courts were withdrawn in 1870, and have not been replaced.

28,888. Does not it seem to you that probably France has as great an interest, if not a larger interest, in the small German courts as we have, and that we at least might lower ourselves to their standard?—I may point out that the actual number of representatives we keep is small. There is one in Bavaria.

28,889. Bavaria, Coburg, and Wurtemburg?—Wurtemburg is now to be abolished.

28,890. Is it to be abolished altogether, or is there to be a chargé d'affaires?—The post of minister will be abolished, but a junior secretary will for the present be left there.

Sir P. W. Currie, K.C.B.

27 Feb. 1890.

28,891. France has nothing at Darmstadt, and we have a legation or part of a legation there costing 1,350*l.*?—I think a comparison with France is perhaps hardly correct. I think you will find that the other Powers have representatives there. Compare us with Russia or Italy; I think Italy is represented at Bavaria by an independent minister, and so is France.

28,892. (*Mr. Hanbury.*) Not in Bavaria?—Yes.

28,893. It does not say so on this list?—You will see Bavaria with Austria-Hungary, Brazil, Spain, and the other countries in the list.

28,894. (*Mr. Lawson.*) At Bavaria, it is true, but at Hesse-Darmstadt Great Britain is represented, and no other power, but Russia is separately represented. At Bavaria we keep a minister?—Bavaria is no doubt an important place. According to thts list which I have put in, and which I believe to be correct, all the Great Powers maintain a representative there. It is important as being the chief place in South Germany.

28,895. I see this is the note in the Estimate: "It "is proposed on the recurrence of vacancies to amal- "gamate the missions at Munich, Darmstadt, and "Stuttgardt so as to reduce the cost"?—If that is done, only one mission will remain.

28,896. What I want to understand is, are you going simply to remove the minister or absolutely to amalgamate the missions; is that clear?—I am not aware exactly what has been settled about it, but I presume when it says that we are going to amalgamate that it means that we should remove the missions. Of course Darmstadt was, until lately, a family court. The Queen's daughter was the wife of their Grand Duke, and that had something to do with the mission being kept up.

28,897. (*Mr. Hanbury.*) Does it amount to this, that you are going to reduce the staffs in Bavaria and——? —Bavaria, Darmstadt, and Wurtemburg.

28,898. To the same extent as Saxony, because I see that Saxony is only about one half the cost of Bavaria? —Saxony has only got a chargé d'affaire with 950*l.*

28,899. (*Mr. Lawson.*) May we take it from you—it is of some importance, though it is a small matter,—that no more chaplains will be appointed, and that the existing paid posts will be swept away on the occurrence of vacancies?—I have not referred that to Lord Salisbury.

28,900. Of course the list is very anomalous and invidious, perhaps, too?—I have got a statement, I think, showing exactly the special circumstances in each case.

28,901. We have here a statement handed in by you. Vienna, of course, is clearly an exceptional case?—An unusual case.

28,902. (*Mr. Hanbury.*) I should like to ask you why, in the case of some of our diplomatic establishments, they exceed those of any other nation. Take the case of Brazil, for instance, which is 5,830*l.* as against 3,800*l.* for France, which again is very much higher than the diplomatic establishments of Germany, or Russia, or Italy. Is there any special reason for that?—We have very important commercial interests in Brazil, and therefore we have a first-class mission there.

28,903. Is it our commercial interest then, that is the sole reason for the difference in cost?—I should say it was a reason for our keeping up a mission on a large scale there. We give our minister 4,000*l.* a year, and 500*l.* for house rent.

28,904. 4,000*l.* a year is very much higher than the total cost of the whole diplomatic establishment of any other nation. France, for instance, only gives her minister 1,200*l.* a year at Brazil?—Our interests are very much greater in Brazil than those of France. The secretary of legation gets 700*l.*, the second secretary 330*l.*, and the translator 300*l.*; it has always been looked upon as an important post, and it is highly paid.

28,905. The greater cost is simply due to the fact of our larger commercial interests?—No doubt.

28,906. Does the same remark apply to Mexico, which again is very much higher than the diplomatic establishment of any other country?—In Mexico we keep up a full envoy.

28,907. What is his salary?—3,000*l.* and 600*l.* house rent.

28,908. Which again, of course, is very much larger than the whole diplomatic establishment of Germany there?—I should say that our interests were much greater in all those countries.

28,909. Well, but for a long time we had no representation at all at Mexico?—Because our relations were broken off; they would not receive a minister from us. In fact they would not receive a minister from any power that had recognised the Emperor Maximilian.

28,910. Does that again apply to the diplomatic establishment at the court of the Netherlands, which is over 5,000*l.*, as against 3,600*l.* of France, and only 2,800*l.* of Germany; what is the reason for the very great difference there?—I do not think we can really say that we have arrived at the total cost to other countries. We cannot be quite sure that there is not expenditure by those other countries which is not put into this table. I should not like to base any statement upon it. The lists put in are what have been furnished to us.

28,911. Yes; but this gives the whole cost of the staff, does it not. We have got it in detail, officer for officer, as against the English establishment. —(*Mr. Lawson.*) If in our case there were a special occasion or a special necessity there would be a special vote?—Yes.

28,912. (*Mr. Hanbury.*) You see there is a great difference here?—The French only give their mission 1,200*l.* apparently, and the Frais de Répresentation 1,200*l.*; that makes 2,400*l.*

28,913. As against our——?—As against our 3,600*l.*

28,914. 3,600*l.*, which is equal to the whole diplomatic establishment of France, and nearly 1,000*l.* greater than the whole diplomatic establishment of Germany, exclusive of the house. Then again, going to Portugal, is there any special reason why our diplomatic establishment there should be so very much greater than that of any other power,—5,000*l.*, against the 2,500*l.* of Germany, and 3,800*l.* of France; is there any special reason?—I am afraid it is impossible for me to say on what basis France and Germany settle the cost of their diplomatic establishments.

28,915. What is the cost of our minister in Portugal? —The cost of our minister in Portugal is 3,750*l.*

28,916. Is not the salary of our ambassador very nearly the whole of the cost of the diplomatic establishment of France there, and more than the total of the diplomatic establishment of Germany by nearly 1,000*l.*?—The cost of our diplomatic establishment is less than it was as a whole. In 1827 the cost of the diplomatic establishment, without including the secretaries' salaries, amounted to 140,000*l.*, and now, after a lapse of 60 years, it is, including all those, 180,000*l.*

28,917. Yes, but in the year 1890, we are still met with this fact, that at these places which I have mentioned, the simple salary of the ambassador is, as a rule, greater than the diplomatic establishment of any other nation at those courts?—It cannot be denied that our ministers are more highly paid in some places than the representatives of other countries. The only reason that I can suggest is that, as a rule, salaries are higher in this country than they are in other countries.

28,918. I must ask you again: Does not that apply to the cost of living in England, and if so, how can it apply to the cost of living in Portugal, or in France, where you are comparing the salaries of our ambassadors with the salaries of the ambassadors of other nations living in those parts?—I think it may be said that the English scale of living is more expensive than the scale of living in other countries, and that you cannot expect our English minister to adopt abroad a scale of living which is not that of people in the same position here.

28,919. (*Mr. Harvey.*) Would the fact that the English travel more as a people have anything to do with it; would the fact that the English minister abroad has to entertain more Englishmen than the representative of a foreign power in this country has to entertain of his countrymen have anything to do with it?—I should say it had a great deal to do with it. There is no doubt that our countrymen travel a great deal, and when they go to foreign countries they expect to be entertained by our representative.

28,920. (*Mr. Hanbury.*) Does not that apply to the United States Embassies and ministers, which, notoriously, are lower than any other?—I should say that

they may expect to be entertained, but they probably are not. As far as I know, the representatives of other courts do not consider it a part of their duties to entertain their countrymen.

28,921. Then do I understand that these high salaries are mainly for the purpose of entertaining travelling Englishmen?—I think that they are given in order to enable the representative to keep up a fitting state and mode of living, and to exercise that hospitality to the natives of the country, and to his own countrymen, which is expected from him.

28,922. But is not that done by the representatives of other powers?—I should say not.

28,923. Not?—I think not. In most foreign capitals one hears that the British minister entertains more than his colleagues.

28,924. (*Mr. Lawson.*) May I ask whether you expect an English minister or ambassador to entertain his own countrymen when they travel, because I never knew that?—His own countrymen certainly expect him to do so.

28,925. Then ordinary people who have not letters, or personal knowledge of him?—Anyone who has a letter, and most people provide themselves with letters when they visit foreign capitals.

28,926. (*Mr. Hanbury.*) Is that the sole reason. I want to know whether apart from that there is any other reason for these high salaries?—I am afraid I cannot give any better reason than those I have already given.

28,927. What advantage do we derive from our ministers either entertaining more Englishmen, or entertaining more foreigners than other nations do?—I think that the entertaining of the natives of the country is a great advantage to a diplomatist in the discharge of his functions. It enables him to get on terms of intimacy with the people with whom he has to do business, which he cannot easily do otherwise. Dining has been called an important part of diplomacy.

28,928. But that, apparently, is not the view taken by other nations?—Perhaps dining is not so much an institution in other countries as it is in this.

28,929. Are any of these diplomatic establishments paid for not wholly by the Foreign Office? Persia, I believe, is partly paid for?—Partly by India.

28,930. And China?—A portion of the cost for China is contributed by India.

28,931. Siam?—No.

28,932. Japan?—No.

28,933. Now going to the question of pensions, what is the reason why, in the diplomatic service, an official can be invalided on a pension after five years, whereas in the Civil Service he must have had 10 years of public service?—You are referring to the second and third secretaries.

28,934. Yes; apparently it is in section 8 of the Act?—On page 231 of the Foreign Office List you will find "Rules as to pensions of the Fourth Class. In virtue "of Her Majesty's Commissions, the service of "second and third secretaries will count for their "pensions, under the Act of 32 & 33 Vict. c. 43., from "the date of the issue of their first commission; but "the amount of pension to be assigned to them will be "calculated, so long as they remain second or third "secretaries, for each year that has elapsed since the "date of their first commission, at one-thirtieth part of "the last salary of which they were in receipt at the time "of the pension being granted, provided that no pension "shall continue to be issued to a person not incapacitated by ill-health, medically certified, who may "decline active service before he has reached the "sixtieth year of his age, after which age no person "shall be required to serve as second or third "secretary."

28,935. I am talking about a man who retires on a medical certificate. In the Civil Service he cannot retire on a pension on a medical certificate under 10 years, whereas in the diplomatic service he can retire after five years. I only want to know what is the justification for that difference?—That is the pension to invalided secretaries. On page 265 of the list you will see, "Where a person holding a commission as second "or third secretary in Her Majesty's diplomatic "service, and having served in such capacities, or one "of them, for a period of not less than five years, is "constrained from infirmity of mind or body to leave "that service before the completion of the period "which would qualify him for a pension under the "other provisions of this Act, the Treasury may grant "to him an allowance during his life not exceeding "for each year of his service in the said capacities, or "one of them (if he has only served in one), one "thirtieth part of the amount." The principle is the same, but it was made one thirtieth instead of one sixtieth.

28,936. I know, but what is the principle?—In the case of the diplomatic service, the Act takes into consideration the fact of employment abroad, the higher level of age from which service counts for pension, and rather a higher level of age in entering it.

28,937. And that is the sole reason? You see it is a very great difference both in the scale of pension and the time at which it can be taken?—It is a difference between five years and ten years.

28,938. Yes, there is a difference in the scale of pension also; it is on the scale of ten thirtieths as against ten sixtieths in the Civil Service. What my question amounts to is this: what special reason is there why not only should a pension be earned very much sooner, but why should it be calculated on a very much higher scale, for a term of actual service?—Allow me to read a short memorandum on that point:—"There has been some correspondence between the "Treasury and the Foreign Office on the subject, and "the former has suggested that secretaries of embassy "and legation should be subject to the same condi-"tion as second and third secretaries with respect to "the production of a medical certificate, but also that "the pension should be calculated as in the case of "Civil Service superannuations, at one-sixtieth of the "salary for each year of service. The Foreign Office "does not consider the conditions as to a medical cer-"tificate unreasonable, although it is not required by "the Act—that is, for the 700*l.* pensions; (that does "not apply to those that you were speaking of) but "demurs to the one-sixtieth scale, first, because diplo-"matic officers do not in practice qualify for pensions "until they are about 26 years of age, whereas ordi-"nary civil servants enter much younger, and begin "to qualify at once for superannuation; and, secondly, "because secretaries of embassies and legations would "thus be placed in a worse position than second or "third secretaries, whose scale of retirement is fixed "at one-thirtieth of the salary."

28,939. I know. One of the reasons given against an alteration is that it would be injurious if a comparison were struck between certain secretaries and certain other secretaries in the Foreign Office or in the diplomatic service, but I am making a comparison with the Civil Service, and I want to know whether there is any special reason why, apart from the fact that they have entered the service a little later, though the date you have given is the very latest at which they can enter, as I understand, whether there is any special reason why they should be allowed to draw a pension after only five years' service, and that the pension should be calculated on so much higher a scale than anything that is known in the Civil Service?—I may explain with reference to my statement that 26 was the highest limit of age, that, taking 24 as the average time at which a man enters the diplomatic service, he would not begin to qualify for a pension until two years later, when he gets his commission, and therefore, the average time in beginning to qualify for a pension is 26 years. As to the five years' question, I think I may say that no pension has ever been granted for five years' service, and I have no knowledge of such a thing having happened. You must remember that all these things are subject to the sanction of the Treasury. The Act only gives the power to recommend.

28,940. (*Mr. Lawson.*) It says "the Treasury may "grant"?—"The Treasury may grant to him an "allowance during his life." I think I may appeal to Lord Lingen to say that the Treasury would inevitably refuse if the Foreign Office committed such an act as to recommend a second secretary for a pension after only five years' service.

28,941. (*Mr. Hanbury.*) When did the last committee on pensions sit, because the only committee you mentioned on pensions is the committee of 1827, and this Act is an Act of 1869?—There has been no change in the amounts of pensions, at least, of these classified pensions; whether this comes from an earlier Act or not, I do not know.

Sir P. W. Currie, K.C.B.

27 Feb. 1890.

28,942. What I have been asking you about comes from the Act of 1869?—It comes from the Act of 1869, but the Act of 1869 adopted the provisions, with regard to diplomatic pensions, of the Act of 1832.

28,943. May we take it there has been no alteration since then?—There has been no alteration; we are governed by that.

28,944. I think, in one of your answers to Mr. Lawson, you used a phrase about the private secretary appointing certain persons in the diplomatic service, you used the words private secretary?—But not as appointing anybody.

28,945. Something very near it, I think; however, before whom do these confidential reports, which ambassadors are bound to send home annually, on junior secretaries and attachés come?—I can only say they do not come before me.

28,946. Do you know, as a matter of fact, whether they are sent?—I do not.

28,947. Would they come before the private secretary if they were sent?—I presume they would come before the Secretary of State.

28,948. Yes, but they would not go into his hands direct, would they; they would go through the hands of his private secretary first?—I really cannot say, for I have not seen them. I do not believe any such reports are made.

28,949. You see my point is this. Here we have a distinct rule of the diplomatic service?—Yes.

28,950. (*Mr. Lawson.*) In your former examination, I think you said they were not sent?—I believe that is so.

28,951. (*Mr. Hanbury.*) You did not know at the time, and I want to ascertain now whether you know, as a matter of fact, that they are sent?—I believe they are not sent.

28,952. Then, as a matter of fact, this very important Rule 15 of the Regulations for Her Majesty's Diplomatic Service is regularly broken?—I do not believe that the rule is enforced. There are other means of acquiring the information. It has been found that all the information that is wanted with regard to members of the diplomatic service is attainable without regular reports being sent by the heads of missions.

28,953. Who has the forming of these regulations on page 231; as long as a regulation exists, I suppose, it ought to be obeyed?—Those regulations were originally issued a great many years ago. They are dated 1886, but this is only a re-issue of them. Rule 15 is an old rule, which has, no doubt, in practice become obsolete. Personally, I should be very much disinclined to enforce it. I think that such reports as those made by a minister on the people with whom he is living on terms of intimacy, and who really are almost members of his family are not desirable in any way, nor would they be of any particular use. If we want to know anything about the members of the diplomatic service it is very easy for us to learn it, and if there is anything against a man it, no doubt, very quickly reaches our ears.

28,954. Yes, but what means have you at the Foreign Office of keeping in touch with the history of your officials?—We have means of being intimately acquainted with all the members of the diplomatic service.

28,955. Even of those who do not come to London periodically?—There are very few who do not. If they do not, members of the same legation do, and we hear from them what is going on.

28,956. Therefore, as I understand, you have got no formal official way of getting any information about your subordinates?—We have no formal official way, but informally and unofficially we have every means of getting the fullest particulars about every man in the service.

28,957. Then would you suggest that this rule, which provides that your ambassadors should report upon the conduct of junior secretaries and attachés, should be not only treated as obsolete but should be struck out from the regulations altogether?—I think it may remain in abeyance.

28,958. But do you think it is a good thing to have a regulation which is not observed?—Perhaps not in the abstract, but I think it is one of those regulations which may look well on paper, but are not of any great value practically.

28,959. You admit that the question of promotion is a very important one, and that you must have some security against favoritism. Would not these reports of a second person—of the ambassador under whom he was serving—be to a certain extent a check upon favoritism?—I am not aware that there is any favoritism at all in promotions.

28,960. Of course, we know there never is anywhere, but still it is as well to have a check against it, I presume, and this is the only check, so far as I see, that exists?—I can only repeat that the Secretary of State has ample means of obtaining information as to the qualifications and conduct of members of the service, and although, of course, if it was thought desirable to do so, this rule might be enforced, I do not myself think it of any use.

28,961. My point is this, that the ambassador who, under this regulation has to send in periodical reports, does that with a full sense of his responsibility; whereas, if you only listen to the conversation, or even the gossip of people who have no official responsibility, when they speak of their colleagues or their subordinates, you have not the same guarantee for a faithful report from them?—There would be no serious objection to having these reports sent in; but, in my opinion, they would be mere formalities, and useless formalities

28,962. Then again, why should they be useless formalities?—Because I think experience has shown that reports of that nature, which have to be sent in every year, at a stated time are so.

28,963. Does not that show that the ambassadors do not do their duty in that respect; is not an ambassador under whom an attaché serves, the man best qualified to give an opinion of his services?—If the commission attach importance to our having these reports sent, there will be no difficulty whatever in calling the attention of the heads of missions to the subject, and requesting them to send them.

28,964. I have not stated whether we attach importance to them or not; I only ask you your opinion of your own regulation?—My own opinion is that it would be a useless formality.

28,965. That regulation was a consequence, was it not, of a recommendation of the Committee of 1871?—Yes, I believe it was.

28,966. I see that in one of those paragraphs there is a distinct recommendation that a report be made by the chief of the mission annually?—Until my attention was called to it I was not aware of the existence of the rule.

28,967. (*Mr. Lawson.*) I was going to ask you whether you could tell us where we can find the salary of the naval attaché; I suppose it would be in the Naval Estimates?—Yes.

28,968. He is no part of the diplomatic establishment?—No; not in point of pay.

28,969. There is only one naval attaché, I believe?—There is only one.

28,970. Is it contemplated to appoint any more?—I think it has been under consideration; but that is a question for the Admiralty, and not for us.

28,971. You have nothing to do with it?—We have nothing to do with him, except that he acts formally under the Foreign Office. He is a member of the diplomatic service while he is so employed.

28,972. (*Mr. Cleghorn.*) Have there been any reductions in any of the salaries of the ambassadors?—I do not think that any of the embassies have been reduced; most of them have been raised within the last few years. Some legations have been reduced; Brussels, for instance; and, I think, several others; but I could not say at the moment.

28,973. Is there anything like a periodical revision of the salaries at these foreign Courts?—There is, from time to time; changes are made.

28,974. By whom?—By the Secretary of State, with the sanction of the Treasury. We have no power to alter salaries without the sanction of the Treasury.

28,975. No, that I understand; but still you have power to recommend to the Treasury?—Yes, we have power to recommend.

28,976. Then there is no rule, as I understand you, as to any definite period at which these salaries and the expenses generally of embassies and legations are revised or gone through?—No, there is no periodical revision of them.

28,977. Do you think it would be any good to have such a definite period fixed, either annually, or biennially, or triennially?—Of course, you must wait for a vacancy before you can reduce the salary of a post. You cannot say to a man who has got 3,000*l.* a year: "After this "year you shall only have 2,500*l.*"

28,978. Perhaps not?—That would be a difficulty. As a matter of fact, revisions frequently take place; perhaps it is found necessary to increase the salary of one post. Then we should always endeavour, in order to meet the views of the Treasury and also with a view to public economy, to make a reduction in some other post.

28,979. That is to say, you try to make the one meet the other?—We try to make the one meet the other.

28,980. What I come back to is this: that there is no rule or understanding whereby upon vacancies at any particular place occurring, there shall be a reduction or a revision?—No fixed rule, but reductions are made when they are found possible. Sometimes a pledge is given to the Treasury that when such a post becomes vacant there shall be a reduction. In some cases that is done to meet an increase sanctioned elsewhere.

28,981. So that the aggregate should not be increased?—So that the aggregate should not be exceeded. As a rule, that is the way in which our expenditure is regulated. We always endeavour to avoid any increase to the aggregate sum by finding equivalent reductions whenever any increase is necessary. That reduction of salary at Paris which I spoke of, and which took place two or three years ago, was utilised in order to increase the salaries at Berlin, and Madrid, where they were found to be inadequate.

28,982. So that there was no saving to the State there?—There was no saving, on that occasion.

28,983. Then, as I understand, you do not think it would be of any practical utility to have a rule or regulation whereby periodical revision of the expenses in all the embassies should take place?—I do not think a periodical one would; it would be very difficult to make it periodical, I think.

28,984. Then you would prefer to leave each case to be settled as the circumstances arise?—I think that is the best plan.

28,985. On the question of commercial attachés, am I right in thinking that there are two of those gentlemen in existence?—Yes, there are two.

28,986. One of whom we have seen, and the other ——?—Is Mr. Crowe, who resides at Paris, but is commercial attaché for the western States of Europe.

28,987. He takes in all Europe with the exception of ——?—Russia and Turkey in Europe.

28,988. Have you formed any opinion as to the results of these appointments?—I think they are decidedly useful. I may refer to Mr. Law, as he has been before the Commission. He is a very active man; he has travelled about to many of the ports in Russia, Turkey, and Persia, and has obtained a great deal of valuable information. I think also that his visits have tended to encourage the consuls, and to point out to them in what direction their reports should go. He has also drawn up very valuable reports on various subjects.

28,989. You are aware that he has very extensive boundaries?—Yes.

28,990. He himself told us that they are much too extensive for him to overtake. Now, would you go the length of saying that more of these attachés should be appointed?—I think that it would be very useful; but such appointments are very difficult to fill. I think that the suggestion for giving special allowances to regular members of the diplomatic service in order to induce them to take up and study commercial questions is a good one, and might be carried out much more economically than by appointing exclusively commercial attachés.

28,991. Still, you would favour the idea of having certain gentlemen who would take this special duty more particularly under their charge?—I think it a very good idea.

28,992. And, so far as you have observed or know, the results of what those two gentlemen have already done have been useful?—Decidedly, very useful indeed, they give us a great deal of very valuable information.

28,993. Do you think that the services of the consuls and vice-consuls at the various ports could be more utilised for the advancement of English trade than they have been or are?—That is not a matter with which I have specially to deal, but I know that a great deal has been done in the last few years to draw their attention to questions of importance. I am not able to suggest any direction in which more assistance would be given by them.

28,994. I daresay you are aware, at least I think I am right in saying that it has been alleged, that the consuls for other countries do more for the trade of their countries than English consuls have been in the habit of doing for theirs?—It is not a matter that I could speak of from my own knowledge, because I do not particularly deal with those questions, but from what I have heard from others, I do not think it is the case.

28,995. You do not think so?—Some years ago, when a great effort was first made by the Germans to push their trade in all directions, their consuls may, for a time, have shown, perhaps, more activity than ours, but now the attention of commercial men has been called to the importance of getting information on those questions, and consequently the consuls have made further efforts. I have no doubt they do at least as much, and I believe more than the consuls of any other country.

28,996. But that is comparatively a modern movement?—I think that probably 10 years ago very much less was done in that way by the consuls of any country. It is no doubt the result of increased competition.

28,997. I suppose you favour the idea of Englishmen being appointed at all places where it is at all possible?—I certainly would appoint an Englishman in preference to a foreigner, if there was an Englishman available.

28,998. Yes, but even at what you would call a moderately paid consulate, would you prefer an Englishman?—The consulates are divided into two categories; the first what the French call the *consul de carrière*, which is the regular consular service, and the other where a resident merchant undertakes the duties of consul and only receives an allowance to pay for his office expenses.

28,999. Do you think that when that gentleman is a native of another country he is likely to favour the trade of his own country more than that of England?—In many cases his own country might have no important trading interests; in others he might be a native of the country——

29,000. No, take any port in Turkey, and, say, a German is appointed?—Yes, but as a rule that would not be done.

29,001. I merely instanced that as the first thing that occurred to my mind?—We should not appoint a foreigner if we could get an Englishman, but, of course, there are some ports in the world where there is no English merchant. You mentioned Turkey; there are some small ports in Syria where there is no resident Englishman.

29,002. Then, as a matter of necessity, you fall back upon the best you can get?—As a matter of necessity we should fall back upon the best man we could get.

29,003. I suppose we should hold that an Englishman would have more interest in promoting the trade of his own country than a native of any other country?—Certainly.

29,004. Even if we had to pay a larger salary for the services of an Englishman, it might not be a loss in the end?—But we should never think of paying a salary to a foreigner. The paid consuls are invariably Englishmen.

29,005. Are they?—Certainly. The only cases in which foreigners act as consuls is where they are unpaid; and then they receive a small allowance for office expenses, but nothing more.

29,006. (*Mr. Lawson.*) In reference to the regulations of the diplomatic service, do not you think it is a pity to allow this 15th regulation to remain amongst them, considering that it has never been enforced, and that you do not desire to see it enforced. I believe that it is the only one to which those conditions apply?—I was only expressing a personal opinion when I was pressed very much on this subject; without the sanction of the Secretary of State, I could not express a formal opinion as to whether it should be struck out, or should not be enforced.

Sir P. W. Currie, K.C.B.

27 Feb. 1890.

29,007. But still, you and your predecessor, the permanent heads, have been of that opinion, I take it?—Well, yes, I think so.

29,008. Do not you think it misleads the public, to a certain extent, when they see this rule, and it is very precise: "Heads of missions will be required to report annually." I am not combating your opinion, only asking you whether that rule ought to be there at all?—That is a matter with regard to which I cannot speak without the sanction of the Secretary of State, who may hold an opinion entirely different from mine.

29,009. Still, it has never been enforced?—As far as I know it has never been enforced.

29,010. If annual reports are a mistake, are you against all official and formal reports?—I should not, in a service like ours, which is not a large one, be in favour of reports on individuals.

29,011. Then you are as much against periodic reports as you are against annual reports?—I should be against formal reports on people's qualifications, because I do not look upon them as reliable. In any special case, if we heard of misconduct on the part of a member of the diplomatic service, we should refer to his chief.

29,012. As an outsider, reading your regulations, I should have imagined that this rule was so precise as to be obligatory upon you, and, therefore, I should think that it would have been better to have removed it?—I will mention the matter to the Secretary of State.

29,013. (*Chairman.*) There is a small point about the Queen's messengers. Do you think any change might be possible in the rank of the men that are employed in that work?—Yes, I think it might. I think that as these messengers retire it would be possible to replace them by such men, perhaps, as retired non-commissioned officers. I should, myself, consider that an improvement.

29,014. Is there any other point which has arisen in the course of your evidence to-day, or anything else which you would like to mention to the Commission? I think I may take it upon the cost of the establishments generally, that you entertain the opinion, which is the opinion of the committee which last sat upon these diplomatic establishments, that the cost of them is not extravagant?—I think not. I think on the whole it would be very difficult to make any large reductions without impairing the efficiency of the service, although in some respects they may appear high.

29,015. You think that, considering the higher scale which generally prevails for public salaries in England, and taking the diplomatic establishments as a whole, they are not unreasonably in excess of the establishments of other countries?—I think so; and it is necessary to give good salaries to secure good men. Comparing the salaries which our representatives receive and the salaries which persons in the public service in England in corresponding positions receive, I do not think they are too large. I consider that a comparison with the salaries received by persons in other countries is misleading. I think they can be best compared with the salaries given to other public servants in this country.

29,016. I suppose you would be of opinion, generally, that the object for which a large salary is given at Paris, or Berlin, or anywhere else, is that, taking it generally, it should be very nearly sufficient to meet the ordinary cost of the establishment, and probably in foreign countries that has not always been viewed in the same light?—I think, certainly, that a man should not be called upon to spend a very large sum in addition to it. As far as I have heard from our representatives, there is hardly any place where they really do live upon their salaries. With regard to foreigners, I should say that the great Powers are generally represented at the great courts—especially at a place like Paris—by men who have private fortunes, and who, if they entertain, spend a good deal more than their salary. With regard to the representatives of foreign Powers at smaller places, they probably do not entertain at all, and live in a very small way—in a way that would not be considered sufficient for our representatives.

29,017. We should be obliged if you could give us the information respecting the pensions of foreign ministers which Mr. Hanbury wished to have?—I will endeavour to obtain it. I understand that what is desired is: "Information as to the system of pensions "in the diplomatic service in foreign countries."

The witness withdrew.

Adjourned till Thursday, March 6th.

EIGHTY-FIFTH DAY.

7, Whitehall Place, Westminster, S.W., Thursday, March 6th, 1890.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

Lord LINGEN, K.C.B.	Mr. R. W. HANBURY, M.P.
Lord BASING.	Mr. H. L. W. LAWSON, M.P.
Mr. A. S. HARVEY.	Mr. J. W. MACLURE, M.P.

Mr. H. WALPOLE, C.B., *Secretary.*

The Right Hon. Sir CHARLES DILKE, Bart., called and examined.

The Right Hon. Sir C. Dilke, Bart.

6 Mar. 1890.

29,018. (*Chairman.*) Perhaps we had better get on the notes first what has been your service and experience at the Foreign Office?—I was appointed Under Secretary of State in April 1880, and I held that post till December 28th, 1882. I was at the Foreign Office during the re-organisations of 1881 and 1882. I had previously been a member of the Committee of 1871, which, I think, has been referred to in the course of your proceedings. I have had some experience of the embassy and the messenger system, by having been chairman of a Royal Commission which carried on treaty negotiations abroad through an embassy; communicating with the Secretary of State through an ambassador.

29,019. You have also, I believe, been in the habit of residing a good deal abroad?—I have not resided much abroad, but I have travelled a great deal abroad, and have seen of course something of embassies, and legations, and consulates, in that way.

29,020. That being your experience, I think possibly the most convenient plan would be for me to ask you to be so kind as to give the Commission the benefit of your experience, taking your own points in your own way?—The point to which I should attach most importance, and which I should ask leave to name first, is that of the amalgamation of the services. In my opinion it would be desirable to amalgamate not only the Diplomatic and the Foreign Office services, as has been proposed, but all three services; that is to say, the Diplomatic, the Consular, and the Foreign Office services. I would treat the Diplomatic and the Consular services as the Foreign Office abroad, or the

Foreign Office as the Diplomatic and Consular service at home. I would make them one service,—the one like the Fleet, and the other like the Dockyards; the one like the German army, and the other like the German General Staff; men going backwards and forwards from one to the other. That is the case with most other countries; it is especially the case with the French service. Of course in saying that, I say nothing with regard to the difficulties which may be caused by existing rights; as to that I am not specially skilled. There are members of this Commission who would appreciate those difficulties more exactly than I could do. Generally speaking, of course I should wish to reserve existing rights, but as a council of perfection I have no doubt that the amalgamation of the three services would be to the advantage of the country and of the services themselves.

29,021. (*Lord Basing.*) Do you mean by the consular service the paid service only?—I would have none but a paid service—the exceptions would be very small, I think. Of course there are places where it is desirable to have a kind of titular consul, and in those cases I think special treatment might be accorded to them. It is done, I think, by foreign Governments; I believe they all have certain unpaid servants but generally speaking, I think the services should be paid services.

29,022. (*Chairman.*) Take first the amalgamation of the Foreign Office and the diplomatic service; how would you meet the difficulty which it has been suggested to us arises from the expense of living abroad?—As a matter of fact there are very few men in the Foreign Office who would not have sufficient income to live abroad if they lived carefully. The men would to some extent sort themselves. You would not of course send a man abroad except under very exceptional circumstances if he were not himself willing to go. The great majority of the clerks in the Foreign Office under present circumstances are willing to go abroad and like to go abroad from time to time, and there are as a fact in the office only about three or four whose circumstances would be such that they could not afford to do so. There is, I think, a good deal of exaggeration as to the amount of income which is necessary for a careful man to live upon in foreign countries. Of course there is the case of men who live at home in London with their relations, and who can live almost for nothing; but those are exceptional cases. One or two of the four or five men in the Foreign Office who could not afford to go abroad are nevertheless men, although I say they could not afford it, and although they say so themselves, who are not living with their families in London, but are living carefully in London, and who, I think, could themselves afford to go abroad if they lived as carefully there as they do here. It is often said that men must in the diplomatic service keep up a certain position. That really only means that they must live in a fairly central portion of the town; it does not imply any very great expenditure, because in all cities there are quarters which are thoroughly respectable and fairly central, and which are cheap. For instance in London, Bloomsbury is a quarter of that kind; and there are quarters of the same kind in most foreign cities. Therefore I think there is a certain exaggeration about the amount of income which is required for a young man who lives carefully to live in a foreign capital.

29,023. Then you think that that condition which is generally stated to the parents of young men coming into the service might be done away with, namely, that they will have to be guaranteed so much a year when they become attachés?—As a matter of fact there are some men serving abroad who are Foreign Office clerks in whose case no such condition was made, and some of them are men who are by no means amongst the most wealthy of the clerks in the Foreign Office. The French have a similar condition, but it is never acted upon. They can act upon it; it is laid down by a French circular that a man must have 6,000 fr. a year of private fortune to be admitted to their service at all, but it is not insisted on in practice. The rule is there, but they do not act upon it.

29,024. Do they make more use in France of unpaid attachés?—In the Foreign Office, yes; in the diplomatic service, I think not; they have some, but not a large number. Generally speaking, I think that a few unpaid men might be used if you want to have a staff at your embassies on the same scale, as regards numbers, as it is at present. There are two reasons which may cause you to wish for that. The one is to have your embassies nominally as strong as those of other countries, because other countries pad their embassies with men who have not very much work to do, and it may be thought undesirable in some places to have smaller embassies than are kept up by foreign countries. Then there is another reason which may be given, but to which I do not attach importance; it is that the copying work which has to be done in the embassies, although confidential, and therefore only to be trusted to members of your regular staff—highly confidential men—is nevertheless very dull and monotonous work—disagreeable work—and work which the men do not like; and of course if you reduce the numbers of men in your embassies you throw more of that disagreeable work upon the men, and the men must work a considerable number of hours in the day. That is opposed to the traditions of the diplomatic service, and there is a certain difficulty, no doubt, in getting men to do it, especially in getting the present men to do it, who have been used to the other system.

29,025. Then your suggestion with reference to amalgamating the Consular service with the Diplomatic and Foreign Office services, if carried out, would involve a very large increase of expenditure, would it not?—Well, not necessarily, I think. I will presently, if you will allow me, go into some little detail of the French service, showing that they have not tried to establish what is called a ladder or scale of salaries for their consular service. Their salaries are calculated solely, according to the theory, at all events, with reference to what it costs to live in each place. That is to say, the salaries are all of them salaries which are so calculated as to afford no special advantage to the men taking the apparently more highly-paid place over the men taking the apparently more lowly-paid place. Their consular salaries are salaries calculated purely on the cost of living.

29,026. (*Mr. Hanbury.*) Does that apply to the diplomatic service at all?—It does not apply in an equal degree at all events to the diplomatic service. I think a saving might be made with a view to carrying out amalgamation and paying in some cases higher salaries in consequence, by reducing the staff of the embassies in the way in which I have just suggested. In my opinion there is not work in the embassies for the number of men who are employed in them.

29,027. (*Chairman.*) Could you give a concrete instance. Could you take one particular embassy by way of illustration?—I would take any embassy. In any embassy I have reason to think that under the present system you do not and cannot exact from the men, many of whom are not paid at all—some of whom in the lower ranks are paid very small salaries and have come into a service in which they do not expect to have to work very long hours,—you cannot practically exact long hours in the chancelleries from them. In each embassy, therefore, the work falls mainly into the hands of the men who are inclined to do it. In some cases those men are men of one rank, in other cases of a different rank. You cannot lay down a rule throughout the service, and say that the work is done by the first secretary or that the work is done by the second secretary, for, as a rule, it is done by the men who wish to do it, and those are the men who ultimately get on. Now, take any ordinary case—take Lisbon, for example. Perhaps the Commission have the Foreign Office List before them and will see how many men we keep at Lisbon. As a general rule at a place like Lisbon there is really no diplomatic work. Then an exceptional pressure will come, such as the pressure which came at Lisbon lately, but in those cases I think that could be done which is sometimes done now; namely, a man could be sent out specially from the Foreign Office to strengthen for the time the staff of the legation.

29,028. At Lisbon I see there is, besides the envoy extraordinary, a secretary, a second secretary, and a translator?—Yes.

29,029. Would you be of opinion that the staff could be reduced?—I should say so, certainly, in the ordinary state of work at Lisbon, not of course at a special moment like that which has lately occurred at Lisbon. I should say generally, that the staff in almost every embassy and legation is unnecessarily large if the men were to work long hours and to do the kind of work which a Foreign Office clerk is expected to do.

29,030. Do you think anything could be done, supposing such a reduction to be made in the higher

The Right Hon. Sir C. Dilke, Bart.

6 Mar. 1890.

offices at the embassies, by permanently attaching some Foreign Office clerks of the lower division or the second division, or something of that sort?—That raises another question. I myself personally am opposed—I know this Commission have taken the other view, and I know that very few agree with me—to the existence of clerks of different kinds. The experience I had in the Local Government Board leads me to think that, saving all existing interests, there should only be one class of clerks, but as regards the Foreign Office, I would keep it separate from the ordinary offices in this country, and treat it as a branch of the diplomatic and consular service. Therefore, when you ask me as to lower division clerks, I must begin by saying that I am not in favour of the distinction which at present exists between lower division clerks and what I think are called establishment clerks.

29,031. (*Mr. Lawson.*) They are called establishment clerks in the Foreign Office. I presume you mean the first division clerks?—I beg your pardon, yes.

29,032. (*Mr. Hanbury.*) Do you mean you would not like to have men in the Foreign Office of the same type or class as the lower division clerk?—Of course I know these things must be retained on account of the existing interests. I know you cannot make a clean sweep of the system at the present time; but I should say, theoretically speaking—I am very much of an outsider in these matters—that the whole lower division system could not last; that the notion of a lower class knocking their heads against a barrier is one which it will be impossible long to maintain; that they will break through that barrier, and that all distinction between classes of clerks will be broken down.

29,033. (*Chairman.*) Pursuing that point only a very short distance further, do I understand you to think that, especially with reference to the Foreign Office, you would have a clerk of a higher kind coming in?—I would have only one examination for the Consular, Foreign Office, and the Diplomatic service, and I would treat that as a service apart. If you have lower division clerks as you have them, say—given the fact that they exist—I am of opinion that they can be used in certain branches of the Foreign Office as they are used at the present moment, and indeed I am of opinion that—given their existence—they can be used more largely than they are at present.

29,034. I think we shall come to that point further on in your evidence?—Yes. I may give one other reason, if you will allow me, in favour of amalgamation, which is that I think it would tend to fill the service with men more inclined to work than many of the junior diplomatists are, and that it would reduce the numbers of the junior diplomatists, and therefore would give better promotion. At the present moment the absence of promotion in the diplomatic service is one reason why you cannot expect to get very willing and very general work; men do not see a sufficient chance of getting on. Take the case of an ordinary secretary of legation. He sees unfortunately in most cases very little chance of ever rising to be a minister, far less an ambassador. Take such a case as that of Mr. Edwardes, for instance, who is the very well-known secretary of legation at Washington, and who has made reports which have been very much praised in Parliament. I should fear that Mr. Edwardes has very little hope of becoming even a minister, let alone an ambassador, from the small number of higher posts and the great number of years men have to be kept in the lower posts, in fact from the stagnation of promotion in the service.

29,035. You were speaking of the reduction of numbers at the embassies; have you anything further to say on that point?—If you want to have a number of young men in embassies for what are really social purposes, and because other countries have them, then I think you must look to having honorary attachés, such as our present unpaid attachés, and such as the Austrian unpaid attachés. They are very numerous in the Austrian service, and their embassies are filled with them; they are men who go into the service only for a time, but who can be trusted to do a certain small amount of copying work, and do it confidentially, but who will not make a permanent career of the service, and will not expect promotion.

29,036. (*Mr. Lawson.*) Social ornaments?—Yes; doing a certain amount of copying work.

29,037. (*Mr. Hanbury.*) And distinctly not expecting promotion?—Not expecting promotion.

29,038. Is that the case in the Austrian service do you say?—I think these young men do not remain in the service as a rule.

29,039. (*Mr. Lawson.*) There are a few of them in England?—There are a few of them in England. I think you would be always able to find men of that kind; I think the ambassadors themselves, if asked to find such men, would mostly be able to find such men among their personal friends.

29,040. There are one or two at present in our service?—Yes, there are a few.

29,041. (*Chairman.*) As I understand, you are in favour of that practice?—I do not really myself think it necessary. I should not mind making our embassies more short-handed than the embassies of foreign countries. I think the various countries in their diplomatic services tend somewhat to imitate one another in the scale of their embassies. I do not think it really necessary that they should do so. When I speak of amalgamation, I ought perhaps to add that I should not propose to make the service an absolutely close service; I would not propose to take away the power that already exists and that is already exercised, of bringing in outsiders. I do not think it would be possible to prevent a cabinet from having the opportunity of employing at a particular post a particular ambassador whom they thought the best man to send there. Therefore I do not wish to be understood as desiring to make it an absolutely close service.

29,042. Would you make the same exception with regard to certain consulates?—I would make the exception; but I should hope that it would not be acted upon except in very rare cases indeed. There have been cases where men have been brought in as consuls-general who have been from the first most valuable men,—for example, Mr. Crowe, who was brought in, I think, by Lord Palmerston as a consul-general; but as a rule, I should hope that the practice would be discouraged, with a view of giving a fair chance of promotion to the men in the lower posts. Would you like me to mention other ways in which I think money could be saved with a view to any increase of charge which might be involved in amalgamation?

29,043. Yes, if you please?—I think that money might be saved by the abolition of certain posts, as well as by the reduction of the numbers employed in others. At the same time all the money so saved could not be devoted to increase of salaries, I think, because there are possibly some stations where the pay of the head of the mission is not sufficient at the present moment. I agree with Mr. Bryce, who, I think, believes that Washington should be a more highly paid post. When I was at the Foreign Office I sent forward a memorandum proposing that we should make our legation at Washington into an embassy. The difficulty is that the Americans will not respond; they will not make their legations into embassies; but I should be inclined to make ours an embassy, even without reciprocity. There are many cases in diplomacy where there is an absence of reciprocity, where country A dealing with country B is represented by an envoy of higher rank than country B in dealing with country A. That is especially the case with regard to representation at and from the Vatican. There are cases each way. There are many such precedents; and I cannot see why we should not convert our legation at Washington, which really on the whole is now our most important representation abroad, into an embassy, so as to enable ourselves to treat it as being really, so far as promotion goes, that which in fact it is—about the most important post. On the other hand, I think that the importance of Vienna and Rome and of Constantinople has declined; it may be only a temporary decline, but under the present grouping of the Powers, Berlin appears to me to have become more important, and Vienna, Rome, and Constantinople less important than they were. I should look, therefore, speaking generally, to perhaps a larger expenditure at Berlin, but in the long run to a smaller expenditure at Vienna, Constantinople, and Rome. Then there are what are called the small German missions. It has often been proposed—it was proposed before the Committee of 1871—to abolish or at all events to greatly reduce those missions; and they have been reduced. But since 1871 there has been a considerable political change in practice in the position of the smaller German Courts; and I cannot but think that there would be a positive advantage in our ceasing to be diplomatically represented at those smaller Courts. The German Empire view with some jealousy the re-

presentation of other Powers at those Courts; and I think that it would be positively advantageous that it should cease.

29,044. There is a reduction contemplated; are you aware of that?—Yes.

29,045. (*Mr. Hanbury.*) Would you abolish the representation altogether at all of these small Courts?—Yes, I would abolish it altogether. If you need to get information at those Courts, it seems to me that a well-chosen consul-general or a well-chosen consul would be quite able to do it.

29,046. As we have at Buda-Pesth, for instance?—Yes; it is indeed the case that if you could afford to employ at some of these small Courts your best men—men of very great ability—they would succeed in getting information there. No doubt men, now high up in the service, have been employed in past days at those small Courts, who have made them centres of information. But you cannot hope to be permanently represented at those Courts by your best men—you cannot expect that your best men will be anxious to represent you at those small places; and on the whole I think they should be abolished.

29,047. (*Chairman.*) The whole of them?—The whole of them. I see no reason for making any exception.

29,048. Coburg, Baden, Darmstadt, Saxony, Wurtemberg?—Yes.

29,049. (*Lord Basing.*) But Wurtemberg is not in the same position as the others?—There are no two of them in exactly the same position; but really I should make no exception. I do not think that it is necessary that we should have diplomatic representation at any of them, Coburg, Munich, Stuttgardt, Carlsruhe, Dresden, and Darmstadt. The most important places at the present moment seem to me to be Washington, Berlin, and St. Petersburgh, and next to those in order, Paris. With regard to Paris, while it is very important for good relations between ourselves and France that there should be a popular embassy at one end or the other of the line, the capitals are so close that it does not very much matter whether it is through the French representation here or through our representation at Paris. There are certain reasons which make it difficult for an English ambassador at Paris to exercise the same influence on the relations of the countries which may be exercised by a popular French ambassador here. French society is so broken up by political divisions, that practically an ambassador at Paris may do more harm than good by entertaining there.

29,050. (*Chairman.*) So that your opinion rather points in the direction of diminishing the importance of the embassy?—I think that while you, no doubt, need to keep up a big house and to pay a large salary to an ambassador in Paris, you need not keep so large a staff at Paris as you do at the present time.

29,051. (*Mr. Lawson.*) Things are very different now to what they were during the Second Empire in that respect?—Yes. Of course the centre of Europe has shifted since the Second Empire.

29,052. (*Chairman.*) While we are upon that point, could you express any opinion upon the actual cost of two embassies, taking Berlin and Paris?—We have a very beautiful but an expensive house in Paris, which we shall have to keep; and no doubt, therefore, there is a certain reason for a large expenditure upon the ambassador's salary or upon the virtual salary at Paris, which may not exist in the same degree at Berlin. I am not able to give information as to the real value of the ambassadors' salaries at Berlin and Paris respectively contrasted.

29,053. Do you think it is the case, which one hears generally stated, that no ambassador is able to live upon the salary that he receives?—I should say that no ambassador can save upon the present system except the ambassador at Constantinople. At Constantinople, where there need be no entertaining, an ambassador could save. I do not know that any ambassador ever has saved at Constantinople, but I think he could save. I should doubt his being able to save at any other embassy on the present system; but then the present system involves a large amount of entertaining, and it is a question how far that entertaining is necessary or desirable. There is entertaining of two kinds; there is the entertaining of British subjects, and there is the entertaining of the people of the country to which he is sent. With regard to the entertaining of British subjects, an ambassador is sure to entertain British subjects to a certain extent, because his own personal friends will come to the place where he is, and he will naturally wish to entertain them; but it is not specially an advantage to the country that he should do so, and I do not know that that ought to be considered in settling the scale of his salary. I do not think that, except in very distant places, it ought to be understood that an ambassador should entertain those who bring letters of introduction to him It has almost ceased to be the custom in Paris: letters of introduction are not given, I think, to Paris except where there is some special reason, such as a man desiring to study the educational system, or some other special reason. Generally letters of introduction are not given to Paris, and I cannot see why an ambassador, at Rome for example, should be expected to entertain those who go there to spend the winter, any more than the ambassador at Paris. On the other hand, with regard to entertaining the people of the country to which he is sent, it is most important, if he entertains the right people; but then unfortunately you have no means of securing that that should be the case. In most countries now society has little influence upon politics, and an ambassador and an ambassadress are naturally tempted to entertain people whom they meet and whom they like rather than to entertain the people who have political power; and therefore it is doubtful how far the entertaining does much good. A certain amount of entertainment is necessary. An embassy must not remain altogether shut up. It evidently must from time to time give a large party and a large dinner to the ministers of the country to which the ambassador is accredited.

29,054. Then looking at it from that point of view, are you prepared to suggest that there might be a reduction in the salaries?—I think, saving existing rights, that there might be a reduction at Vienna and at Rome. Constantinople is a little difficult. Some reduction could take place there, because I think an ambassador could save there at the present time; but I do not think that a very large reduction would be possible at Constantinople, because there are expensive houses to be kept up, and the climate is such, and the local circumstances of Constantinople are such, that an ambassador is almost driven to live a part of the year in Pera, and a part of the year in Therapia, so that two very large houses have to be kept up.

29,055. (*Mr. Lawson.*) It is a very heavily manned embassy, is it not?—Yes; I would in all the embassies reduce the numbers.

29,056. (*Mr. Hanbury.*) You have been mentioning the number of embassies that you would like to reduce; how should that be done?—I would reduce the numbers at the embassies. Do you mean as regards the salaries?

29,057. Yes; for instance, the salary of our ambassador alone at Paris is almost equal to the charges of the whole diplomatic establishment of any other country?—Germany, of course, does not entertain at Paris. The Germans I fancy give one party at Paris, and that a very formal party and as small as possible, every year. Of course there are special reasons why the Germans should not entertain in Paris.

29,058. Take Italy and Russia?—Russia does entertain in Paris considerably, and, but for the fact that we have a most expensive house to keep up, I see no reason why there should not be a reduction. I believe that the house we have at Paris is a very costly house.

29,059. That is what I want to get at; that a great deal of our expenses in Paris are really due to the fact that we are over-housed?—It is a very fine house, and a very beautiful house, and no doubt a very costly one. In connexion with amalgamation and with the reduction of staff, I think that there is no reason why, in the long run, and saving all existing interests, you should everywhere have virtually two heads of your mission. At the present moment the first secretaries of embassies are substantially ambassadors, who take the place of the ambassador when the ambassador is away; so that there are two men for social purposes, and for purposes of consideration, virtually of equal rank. In other services, in the Russian service for example, that is not the case. At Washington I believe that when the Russian minister is away, the Russian consul-general from New York comes down and takes his place as chargé d'affaires. In the long run, and saving the interests of the people who are now employed, I can see no reason why our consul-general at New York should not take the place of our minister at Washington when he is away.

The Right Hon. Sir C. Dilke, Bart.

6 Mar. 1890.

29,060. Would that do in other countries besides the United States?—I have not sufficiently considered it to be able to say whether it would or not. There are men employed in embassies abroad, other than secretaries of embassy, who are competent, from their ability and standing, to take the place even of an ambassador, if you will disregard past tradition in the matter—say in Paris for example—the commercial attaché, Mr. Crowe, would be capable of holding his own with any minister or ambassador with whom he could be brought in contact. I have no doubt that in other capitals, by going through the book and considering the service, you would find that that was the case; that is to say, that there are more men than are really needed in many cases.

29,061. You said that some of our missions abroad might be done away with; do you think that in some cases consulates might take their place?—I think so. There would of course, under the system I should suggest, be less distinction between consulates and embassies than there is at the present time. It would not be like it is now, as a rule—a matter of taking a man who had been seeing sea captains all his life and putting him to do diplomatic functions. Under the system which I should propose, which is the system which exists in the French service, a man would not have been seeing sea captains all his life; he would have been changing backwards and forwards from one set of functions to the other.

29,062. (*Mr. Harvey.*) Would not this be a convenient time for you to state how you propose to organise your amalgamated service?—Well, generally speaking, I should say that the French system, which I would explain, would afford a base for the consideration and treatment of the matter.

29,063. (*Chairman.*) Perhaps you would kindly explain that now?—I will; but perhaps before I leave this point I might mention that there are one or two matters which come very closely into this. It may be said that we have a power of amalgamating at the present time, and no doubt some men have passed from the one service to the other. There is the case of Sir William White, who is now an ambassador, who began his life in the service as a clerk in a consulate; and Sir William Kirby Green, who is now a minister, who began life as a clerk in a consulate also.

29,064. (*Mr. Lawson.*) Sir Spenser St. John?—Sir Spenser St. John is another case. Of course there are some persons called consuls at the present time who have really been brought in as diplomatists at a late period in life, and who are among the best men in the service, such as Sir Evelyn Baring, and Colonel Euan Smith and Consul O'Neill. One advantage in amalgamation which I have not yet mentioned would be that the consular department of the Foreign Office would be worked by men understanding the consular work. At the present moment there are one or two consuls employed, I think, usually in the consular department of the Foreign Office,—but the consular and the African department are together, and I believe that the consuls do the African rather than the consular work. There has been a certain amount of friction and trouble caused by the fact that the consular department of the Foreign Office is not worked by men having an intimate personal knowledge of the consular system. And in a less degree there are sometimes difficulties in the Foreign Office, and friction between the Foreign Office and the diplomatic service caused by many of the men high up in the office not having been abroad. That does not apply to the younger men. Most of the younger men in the Foreign Office have had some sort of foreign service on special missions. I should also say, with regard to amalgamation, that at the present moment there is nothing to prevent the Secretary of State from misusing his consular patronage. I do not mean to say that it is generally done, but there have been cases, which will be familiar to members of the Commission, in which men have been brought into the consular service late in life who are not thoroughly fit for it, for one reason or another. Another argument which I should like to mention in favour of amalgamation would be that it would explain and justify and enable you to continue that separate treatment of the Foreign Office from the rest of the civil service, which, in my opinion, is necessary. I think, unless you at all events amalgamate the Foreign Office and the diplomatic service—of course that would not apply to the consular service—but unless you amalgamate the Foreign Office and the diplomatic service, you will not be able permanently to maintain that separation between the Foreign Office and the rest of the Civil Service which, in my opinion, is desirable. The Foreign Office work seems to me to be very different.

29,065. (*Chairman.*) You are speaking now of the restricted competition for entrance to the Foreign Office and the diplomatic service?—Yes. I do not think it is possible. I do not know whether anybody really does think it is possible to apply to the Foreign Office absolutely unrestricted competition. I agree with those who think that foreign governments would place men in the Foreign Office under such a system. The examination of course is, and would always be, largely an examination in foreign languages; and you are specially exposed to receiving men of mixed parentage who have been educated abroad and about whom you know very little—I have no doubt that if you had unrestricted competition chiefly in foreign languages for the Foreign Office, if you did not keep out men of mixed parentage and of foreign education, you would in the course of time get some men in the office that you could not trust.

29,066. (*Mr. Lawson.*) That has not always been your opinion, has it?—I dare say not, but if it was not, that was before I had seen the working of the system.

29,067. (*Mr Hanbury.*) Would you put any check upon the number of nominees, would you have a certain number of men nominated for every vacancy so as to keep a check on patronage? You see it is quite possible that the Secretary of State might nominate only one man?—They have the same system I may say in France of restricted competition after examination, and there they nominate everybody who applies, except their political opponents. The nomination is rather more widely given there than it is given here, but still it is given here already sufficiently widely to cause the standard to be very high. I think that the standard for the last six or seven years has virtually ranked with the First Class at Oxford or Cambridge. It is a very high standard indeed. Of course the diplomatic standard is nothing like so high.

29,068. (*Chairman.*) There are not the same number of competitors for that?—It is nothing like so high.

29,069. (*Mr. Lawson.*) As a matter of fact you have had university men of first rate distinction competing for the Foreign Office?—Yes. In answer to Mr. Hanbury I should rather look to the weight of public opinion upon the Secretary of State to prevent an extremely restricted competition.

29,070. (*Mr. Hanbury.*) But public opinion has not much opportunity of being formed; it does not know what is going on?—It is informed by the unfortunate rejected persons, very often.

29,071. You would not lay down any hard and fast rule that there should be six at least, or something of that kind?—I should have no objection to do so. Of course you could drive a coach and four through even such a rule as that, because you might nominate one man of considerable brain power and a number of men of very inferior capacity.

29,072. (*Mr. Lawson.*) Still their powers are not accurately ascertained before they come up for examination?—Sometimes a good deal is known about one or two of them beforehand. I have often heard before an examination, "There is so and so coming in; he is a "very good man indeed. He is a high first-class man "from Oxford, and so forth—sure to get in—sure to "beat the other men."

29,073. (*Chairman.*) Perhaps now we have come to the point at which you might explain the working of the French system of nomination and examination; but if there is anything you have left out pray take it in your own way?—I was asked with regard to the French system how far they employed unpaid men, and I replied that they had a large number of unpaid attachés in their Foreign Office. With the exception of those men, all the men who come early into the regular service with the view of remaining in it come in by examination, and they stay three years in the Foreign Office. They spend their first three years in the political section, if they choose the diplomatic side, and they spend their first three years in the commercial section of the Foreign Office if they wish to begin as consuls. At the end of three years they go through another examination. That is a point of difference between the French system and our own. In France there are really three examinations for the service. Before a man goes up for examination at all he must

produce a certificate of having passed what may be called a matriculation examination of a university, or of having come out of one of the great professional schools, the École Polytechnique, and a number of other schools which are named in the order, so that he must produce a certificate showing that he has gone through a certain amount of education before he goes into the examination at all. Then there is an examination similar to our own, and after he has been three years in the office, there is a further examination. The further examination turns apparently upon the work that he has been doing in the office, but it is also an examination in commercial, and political, and public law, chiefly an examination in those subjects. After the three years, and the further examination, the men become either paid attachés in the Foreign Office, third secretaries of embassies, or vice-consuls. The age is from 21 to 30.

29,074. (*Mr. Lawson.*) Do they take those appointments indiscriminately, or have they any choice in the matter?—Yes, they have a choice, subject to the vacancies. It is like it is in our Royal Artillery or Royal Engineers—it is a choice for the best men, and virtually I believe it works out pretty well to be a choice for all the men. The men seem to take the sides in fair numerical proportions, and they know, whichever side they take, that they can always change back again later on, and probably will change back again later on, and will even change two or three times in the course of their career. The men pass an examination in commercial law after the third year as well as the general examination in international law—those being the only subjects that carry high marks—commercial law and international law—for the consuls in diplomatic history, and international law for the diplomats. Those men who go into the consular side become members of a branch of the service which has limited numbers, and is divided into classes. No French vice-consul can become a vice-consul of the first class until he has served three years in the second class; and no one can become a consul until he has served 10 years as a vice-consul, including three years as a first-class vice-consul or as a first-class chancelier. The French, as the Commission knows, have in their embassies a class of persons known as chancelliers, who are very closely connected with their consular service; they perform consular functions in connexion with the embassies as well as a large amount of routine work. The French to some extent recruit the higher branches of their consular side from the chancelliers of the embassies—the chancelliers being men who do much the same work as is done in our embassy at Paris by Mr. Atlee. There is power in France to bring men straight into the service without passing through examinations at all, but it is not exercised to a large extent. Instances could be found, however, where consuls have been jobbed into places for which they were not fit; but it is exceptional—it is severely condemned by public opinion, and the practice is not increasing, but I ought to mention that the power does exist.

29,075. (*Chairman.*) Then when once a man has gone into the consular service in the way you have described is there a free interchange?—Yes, there is a free interchange.

29,076. At his own option?—A free interchange by a joint system, of the man's own option and of the option of the minister and of the heads of the two sides of the Foreign Office. They discourage men remaining a long time in distant consulates. In order to induce the men to be willing to change they give them considerable financial advantages in connexion with their changes; they pay the whole of their passage money from the distant places and bring them home pretty frequently on leave, and they try to induce men not to settle down at consulates a very long way from home. They consider it is bad for the efficiency of the service that men should remain a very long time in distant consulates, and they accordingly discourage it; but I fancy that if a man in spite of the discouragement is extremely anxious for personal reasons to remain a long way off they sometimes leave him in a consulate for a good many years; but they discourage it.

29,077. It is a directly contrary policy to what is pursued in England, is it not?—Yes. They state that the varieties of men's tastes as regards distance from France, as regards climate, as regards interest in special questions, and in special countries, make them ask for places of their own accord in such a way as substantially to scatter their service over the whole world, very much by the wish of the men themselves. That is to say, it is not often necessary for them to put men where they do not want to be placed.

29,078. (*Mr. Lawson.*) The system works automatically?—Yes. Their consular salaries are attached to the post. As I have said before, the element of promotion hardly enters into the question of salary with them, because the salaries are calculated according to the cost of living.

29,079. (*Chairman.*) That is supposed to be the governing idea in our English system too, is it not?—Yes, it is. At the same time in the English system there are undoubtedly some consulates that are more sought after by applicants than is the case with others. There has been a change quite lately in the French Foreign Office. I said that the men coming into the office would pass three years either upon what may be called the consular and commercial side, or upon the diplomatic side; but as a matter of fact it is now two and one; that is to say, a man passes two years upon the side that he chooses, and one year upon the other side, out of his three; that is, each man passes either two years on the consular and commercial side and one on the diplomatic, or *vice versâ*. That is a recent change. There is another door into the French service. They have a special department which answers to our chief clerk's department, called Les Fonds, and they have a department which answers to our library, called Les Archives, and they have a treaty department which does not answer exactly to our treaty department, because our treaty department does a great deal more than mere formal treaty work; and their treaty department, which is a treaty department strictly so called (they term it Le Protocol), is a third separate department. Those little departments are manned rather, I think, upon that hereditary system which exists in our library in the case of the Hertslet family, which exists in the Russian Foreign Office in the case of the well-known de Martens family, and men do come into the French service through those three little departments. It is not a very important exception. The French do not employ lower division clerks. All their clerks are freely interchangeable, and there is nothing answering to lower division clerks. The Germans do employ a separate class both in their Foreign Office and in their embassies, but they are chiefly ex-non-commissioned officers in the army, men who have borne a high character in the army, and who on leaving the army have received a certificate which entitles them to employment wherever employment can be found for them, upon a curious German military system. Those men are largely employed in the Foreign Office and in the embassies. They receive small salaries. They are considered to be highly confidential men, and thoroughly to be trusted to do the confidential copying work. Of course they are not men who can do much except copying work, but they do confidential copying work.

29,080. (*Mr. Hanbury.*) Could any work of that sort be done in our service by our non-commissioned officers?—I am afraid that as a rule our non-commissioned officers are not men of quite the same stamp, and that those that are obtain lucrative employment in civil life. A really good non-commissioned officer in the British Army, I think, can get on very well in the world.

29,081. (*Mr. Lawson.*) Or in the reserve forces?—Yes. One side of the French system that is worth noticing perhaps is that they seem to have more consuls-general and fewer heads of missions than we have. They have, I think, several consuls-general and consuls in places where we have diplomatic establishments. That probably is one result of amalgamation, because there is ot the same distinction between consul and diplomatist as exists with us, and therefore the French consul can more easily be used, than an English consul upon the present system, to do what is really diplomatic work. I have mentioned a few cases in the English service where men who have come in as consular clerks, like Sir William White and Sir William Kirby Green, have become ambassadors or ministers; but such cases are of course far more common in France under a system of amalgamation. The men move backwards and forwards very freely, as may be seen by considering well-known personal cases. M. Herbette, the French ambassador at Berlin, has been a consular clerk, a a consul, a clerk in the Foreign Office, a director of the commercial side of the Foreign Office, and is now ambassador at Berlin. M. Tissot, who was a most distinguished French ambassador here, began life as an élève consul and had been most of his life a Levantine consul,

The Right Hon. Sir C. Dilke, Bart.

6 Mar. 1890.

had gone backwards and forwards from one Levantine consulate to another. M. Jusserand, who is the second man in the French embassy here at the present time, and one of the most distinguished of their younger men, is a very remarkable instance of the same kind. M. Jusserand was here as an élève consul; he was a consular clerk here in London only about eight years ago; he then went back to the Foreign Office, and served in the Foreign Office, and he is now here with the rank of councillor of embassy. M. Mariani, who has just died, the ambassador at Rome, was most of his life in the consular department of the service, although he was part of his life in the office itself. M. Mariani came into the service through the Archives, and was six years under the Foreign Office before he ever became an élève consul; yet he died ambassador at Rome. I might mention several other cases, but M. Jusserand's case is perhaps worth noting, because it seems to show how very rapid in the French service promotion is by merit. M. Jusserand is only 35 now; he has only served altogether 14 years, including his service of three years in the Foreign Office, on first entering the service. He was first in the examination held at the end of 1876. He chose the consular side. He spent his three years in the consular direction in the Foreign Office; he then became an élève consul and served his time as an élève consul here in London. He then became a clerk in the commercial department of the Foreign Office in 1880, and in the next year, in 1881, a diplomatic despatch writer upon the diplomatic side of the Foreign Office. At the end of 1881 he was sent on a special mission to Africa. He then returned to the office and was in the protectorate department of the French Foreign Office from 1881 to 1886. He then returned to London as councillor of embassy, where he had been consular clerk only eight years previously. That is a remarkable example. The case of Baron d'Estournelles is also a remarkable one as regards exchanges.

29,082. (*Mr. Harvey.*) So that promotion was made on reports of his merits?—I have no doubt it was. I do not know that as a fact; but I have no doubt that was it.

29,083. (*Mr. Hanbury.*) Do you know what system of reports they have as to merits in the French service?—I do not know; it is always very difficult to get at that. The French circular is very like our own circular, but how far it is acted upon in practice is a matter which I can no more tell you for France than I can tell you for England. I do not know how it is acted upon here.

29,084. We have had evidence that it is not acted on at all?—It certainly is not known in the Foreign Office; it does not come to the Foreign Office, it is not known even to the heads of the Office; but what is done by the Secretary of State and his private secretaries in the matter I cannot tell. I do not know that anything is done at all.

29,085. (*Mr. Lawson.*) We have had evidence that reports are not even asked for, and that they are never sent in?—I do not know how that is, but I fancy there must be virtual reports in private letters.

29,086. (*Chairman.*) You have described this consular system in France generally. Were you able to so compare it with our own system as to be able to say whether it appears to have advantages?—I think so. I think the French service is far from perfect, because I think they, like ourselves, have more men in their embassies than they need. I think all the countries are alike in that. I think all the embassies have more men than they need, and I think that in the French service, as in our own, the work is not sufficient for the whole staff, and is really done by the men who wish to do it; but I think that amalgamation makes their service better than ours. I think that their men have a more real chance of promotion, and work with more spirit and zeal; still I am far from putting it forward as being a perfect service. I have only mentioned cases bearing on amalgamation in the one way. I ought to mention cases bearing the other way. Vicomte de Petiteville, who was formerly in the embassy in England, is now a consul, and there are many cases of that kind where men prefer to go from embassies to consulates.

29,087. One question about the consular service: having regard to the services which are done for France by her consuls, would you say that they are to any considerable extent better than the work that is done by our consuls?—I think that the French consular system gives them men who are more capable of taking all-round work than our consuls as a body are; but I should be quite unable to say that they are equally able to deal with the ordinary mercantile work. I have not sufficient experience to answer that question one way or the other. All I can say is that in the ordinary way one hears such things in travelling. I have not heard more complaint amongst French merchants and sea captains of their consuls than I have heard amongst English merchants and sea captains of our consuls. Of course such complaints are very common in all countries. I can hand in the French Budget which I think you have not before you. You have their Foreign Office, but only the Foreign Office. This book gives the whole of their diplomatic and consular budget (*handing in same*). I would suggest that it is only possible to compare the cost of the two systems if you have the whole of this budget before you, because some things appear in the Foreign Office Vote in one country which do not appear in the corresponding vote in another country, but in another part of the diplomatic or consular estimates. I would suggest to the Commission, if they wish to compare the cost of the various services of the different countries, that they ought to take our various votes—Foreign Office, consular and diplomatic, and the embassy and legation buildings votes, and having added those, and, if they like, the foreign secret service, then should add together the whole of the votes in the case of the foreign countries and then compare the totals.

29,088. (*Mr. Hanbury.*) Would that apply to the separate diplomatic establishments of any particular country?—No, it does not apply to that; it does not apply to some of the papers which I believe Sir Philip Currie put before you, but it does apply to any attempt to compare the total cost of the two services. You cannot do it unless you add all the votes together. There is only one deduction, so far as I know, which ought to be made in doing that. You ought to deduct from the French estimates their protectorates; because the French Foreign Office administers the protectorates. Tunis, for example, and all their protectorates in further India and Madagascar, in the same way in which our Foreign Office used to administer Cyprus, but we have taken Cyprus, which was the only protectorate in the Foreign Office, from the Foreign Office and put it in the Colonial Office; and our foreign and diplomatic votes are entirely free from such expenditure; whereas the French votes are largely swelled by their protectorates.

29,089. Does that include pensions, or could you tell us anything about the system of pensions?—I cannot. I know they have a system of pensions, but I cannot tell you what that system is. I could obtain information for the Commission in regard to it.

29,090. That budget you have handed in I suppose would give the total of the pensions?—I do not see it.

29,091. (*Mr. Lawson.*) Probably it is only the effective vote?—It appears to be only the effective vote.

29,092. (*Mr. Maclure.*) The pensions go in a different vote altogether, I think?—Yes, I believe so.

29,093. (*Chairman.*) Have you yourself made any comparison of the cost of the different systems?—I have attempted to do so. It appears to me that the French system is on the whole slightly more costly than ours. The salaries in the French service, especially in the high ranks, are very much smaller than ours. That is the case all through continental administration, as of course the Commission know; but on the whole their expenditure appears to me to be slightly larger than ours. With regard to the salary of the minister it has been said that secret service money is used in France for supplementing salaries. A pledge was given in this country some years ago that no portion of secret service money should applied to supplementing ordinary salaries; but no such pledge has ever been given in France, and it is said that money is found from the secret service for supplementing salaries there. It has been said that when a very large vote was given in the Exhibition year for what was called *Frais de Représentation* to the minister, I think, as much as 6,000*l.* was given to the minister at the Foreign Office for entertaining in the Exhibition year. It has been said that that, coinciding with the knocking off the estimates of the whole of the secret service votes by the French Chamber which occurred in the same year, was really intended to take the place of money which was allotted from the secret service for entertainment, but although that has been stated it has been denied, and I am entirely unable to say whether it is true or not.

29,094. Is there a large amount of secret service money voted in France?—There is 100,000*l.* for the

secret service, I think, of which 28,000*l.* a year is for the foreign secret service.

29,095. I suppose in any comparison that you have made you have included that secret service money?—Yes, I think so.

29,096. (*Mr. Hanbury.*) Are the allowances to their ministers pretty much the same as we make to our ambassadors?—It is very difficult to compare in detail. For example, I have tried to compare the cost of housing in different embassies, but it is very difficult to find out. You can find out in one case who is housed and who is not. For example in London the French house their ambassador and no one else; in Brussels they house no one, not even their minister; he has to house himself out of his salary and allowances. In some places they house the whole of their staff. In Constantinople they house the whole of their staff; not only, I think, at Therapia but also at Pera.

29,097. (*Mr. Lawson.*) And feed them?—Yes, I think they feed them, or the ambassador feeds them. So that it is very difficult to make a comparison.

29,098. (*Mr. Hanbury.*) Could you hand us in a statement so far as you know, taking the French service for instance, of the cases where they house and where they do not?—In Belgium I think you will find that the French house no one, not even their own minister; I think here they house their minister, and I believe they provide furniture for the embassy.

29,099. (*Mr. Lawson.*) At Turkey they say that the embassy houses at Pera and Therapia are provided?—That is provided for the whole staff I believe; they house everybody.

29,100. According to the return given us by Sir Philip Currie it would be the same as the London system, which, of course, it is not?—Yes, and this information is difficult to obtain, but I could obtain it. I think the best way of comparing the cost of the two services is to compare the totals. Then with regard to the German Foreign Office Sir Philip Currie, I think, has not given the details. I have worked out the details here, and I will hand those in if you like.

29,101. (*Chairman.*) The German Foreigh Office?—The German Foreign Office only; I have not been further. The total corresponds fairly well with Sir Philip Currie's figures—within 2,000*l.* or 3,000*l.*, I think. I have taken the mark at exactly a shilling, and he may not have done so.

29,102. Your total is 145,000*l.*?—For the German Foreign Office not so much as that.

29,103. The diplomatic service included?—I do not think I have included it there—I have taken the Foreign Office only—at all events I have only given details of the Foreign Office.

29,104. Were you speaking entirely of the diplomatic service?—I might add with regard to the question of habitation that at Rome the French house a portion of their staff in the Farnese Palace; they do not house the whole, they house more than the ambassador, but yet not the whole staff; so that is an example of another case again.

29,105. I suppose what you have said of the higher class in France is still more true of Germany, is it not?—Yes, I think so.

29,106. The higher salaries are lower than in England?—Yes, generally speaking, all over the Continent that is the case. In England I suppose that in order to arrive at the total cost we have the diplomatic vote, the consular vote, the buildings, and the Foreign Office vote, and I believe that comes to about 520,000*l.*, roughly speaking. I have not added my figures very carefully, and I do not know whether the Commission have the figures before them, but I make it about 520,000*l.* roughly. The French total service, according to that budget, and deducting the protectorates appears to me to work out at between 540,000*l.* and 550,000*l.*, slightly more than our own.

29,107. Have you worked out at all what is the difference between the cost of the consular service of France and our own?—It is difficult because consular and diplomatic services are so much mixed up together. For instance, our consul-general at Warsaw used always to be a person who was really a diplomatist, but who was called consul-general in order not to offend Russian susceptibilities. That was the case even when Poland had home rule. So again the French have replaced in many spots in Germany legations by consulates; but the work done is precisely the same by the consul that was done by the legation. Therefore it seems to me almost impossible to really compare consular system with consular system and diplomatic system with diplomatic. The names are used indiscriminately. For instance, in Egypt people are called consuls-general, but of course their functions are purely diplomatic.

29,108. How would the comparison stand between the number of posts at which we should require commercial consuls as compared with France?—I should think that we naturally, through the great mass of our trade, ought to have more consulates than the French.

29,109. So that would be a material element in the comparative cost of the two systems?—No doubt.

29,110. (*Mr. Maclure.*) Have not the French many unpaid vice-consuls?—No, I think they have not. Consular agents only. Their vice-consuls are paid.

29,111. We have a large number?—Yes, we have a very large number.

29,112. (*Mr. Harvey.*) If the total cost be more and the individual salaries be small is the excess of cost over the charge of our service owing to the larger number of men employed?—I am not certain how far they can be said to employ a larger number of men. I should say generally speaking that the chief difference was in their lower salaries being larger than ours. Their highest salaries are much smaller than ours, but I think their salaries about two thirds of the way down the scale in their diplomatic and consular service are larger than our average salaries. Of course there is a reason which I need hardly state for English salaries being higher in the higher offices than the French, although it does not account for the whole difference of the scale, which is, that the schooling of children for example is very much higher in England than it is upon the Continent; a French ambassador will send his children to a lycée, and a German ambassador will send his children to a gymnasium, where the expenditure need not be more than a third or fourth of what the cost of a boy at an English public school is.

29,113. (*Chairman.*) Then there is to be taken into consideration also I presume the scale of salaries all round in England as compared with foreign countries?—Yes. The German Secretary of State receives 2,000*l.* a year, but then of course the Chancellor of the Empire to some extent performs the duties which are performed here by the Secretary of State. The Secretary of State in Germany is not quite so important a person as the Secretary of State for Foreign Affairs is here.

29,114. (*Mr. Hanbury.*) Comparing the case of an English ambassador in Paris with, we will say, the German ambassador, would your main reason for making the English ambassador's salary so much higher be that the whole scale of our Civil Service at home was higher?—The enormous difference between English and Continental salaries is not anything like so observable, I take it in the case of ambassadors as it is in the case of ministers or of heads of departments. The two head men in the French Foreign Office after the minister receive only 22,000 and 20,000 francs a year respectively, the commercial and consular director receives 22,000; the political director receives 20,000; and these are the only two large salaries paid in the office after the minister's. The minister's and these two salaries are of course extraordinarily small as compared with our biggest salaries, but there is not anything like the same difference I think between the salaries of the French ambassadors and of our ambassadors as there is in that case.

29,115. I think there is?—Nothing like the same disproportion.

29,116. Nothing like the same extent?—No.

29,117. I want to know why, for instance, England should pay an ambassador, we will say in Paris so much more than Germany should pay?—The German ambassador, of course, does not entertain much in Paris, for special reasons.

29,118. Take Italy then?—I cannot see any very great reason why our salaries should be so very much higher than the Italian salaries in Paris. I gave the cost of the education of children as being one example of a reason, but of course it would not account for any great, any enormous difference.

29,119. You know of no other reasons?—I have not thought of any at this moment.

The Right Hon. Sir C. Dilke, Bart.

6 Mar. 1890.

29,120. (*Chairman.*) Is it or is it not the case that the principal representatives of France, Germany, and Russia abroad, are, as a rule, much richer men than the English representatives?—I do not think that on the average the French ambassadors are men of so much wealth as the average of the English ambassadors. Certainly some of the French ambassadors have been very poor men indeed. M. Tissot was a man who had never saved anything from his consular salaries. M. Mariani, who died at Rome the other day, was a poor man, and many of their ambassadors are quite poor men. The Germans have employed men of wealth undoubtedly, and with regard to the Russians some of their men are do doubt men of great wealth.

29,121. (*Lord Basing.*) Would you admit that the difference in the salaries of high diplomatic officials in England as contrasted with other countries is out of proportion to the salaries paid to high officials in the civil service or the military and naval services in those countries?—No, our salaries are high all round.

29,122. There is nothing special?—On the contrary I was rather arguing with regard to the ambassadors that the difference was less than the average difference. There is one French economy, as compared with our expenditure, which I should like to mention. Perhaps I should not say economy, because the total cost of their service is as great as the total cost of the corresponding service with ourselves, but they get a great deal more for their money; it is economy in that sense. I mean their messenger service. The French and Germans each spend roughly speaking, I think, upon their messengers about the same sum that we spend upon our messengers, but they get a great deal more for their money. If you were to compare the number of messengers, and the journeys that the messengers make, I think you would find that the French and Germans get more for their money than we do. Although the total expenditure is as large with the French and Germans as with ourselves, the salaries are very much smaller.

29,123. (*Lord Lingen.*) Are the men of the same rank?—No, they are thoroughly confidential and trustworthy men, but they are not gentlemen.

29,124. (*Chairman.*) Do you make a suggestion that there might be an alteration in our system?—I sent a memorandum round when I was at the Foreign Office, which was not acted upon, and I should like to make the same suggestion here. I suggested that it would be possible gradually to fill the Queen's messenger service with thoroughly confidential men most carefully chosen, but who would not receive salaries on the scale of those paid at the present time.

29,125. Do you think that there is room for using Queen's messengers to a larger extent than they have been used?—Yes, I do not think it in the least safe to abolish the Queen's messenger service; and one reason why I am most anxious, because, of course, the sum involved is not large enough to make it worth great anxiety as a mere matter of money—one reason why I am most anxious to change the system is because I am certain the House of Commons will abolish it if it is not modified. If the House of Commons have reason to think that the messenger service is occasionally used as a home for men who are not chosen simply because they are the best men possible to do the work, I am sure that sooner or later the House of Commons, which does not like the service and does not quite understand the necessity for it, will throw out the vote. Therefore as I believe it is necessary for the public service to maintain a Queen's messenger staff, I am very anxious to see it reformed.

29,126. Perhaps you will state one of the principal reasons which induce you to attach so much importance to retaining a messenger service?—Because all Governments open letters; you cannot trust your bags and you cannot trust your secret despatches to the post.

29,127. (*Mr. Hanbury.*) Your telegrams have to be trusted to the post?—They are in cypher; and a foreign government can make nothing of them.

29,128. Could not letters be written in cypher also?—Yes, certainly, but it costs more than to send men, I think. Cyphering is a terribly slow process. I am one of the unfortunate people who have had to do it. It so happened whilst I was employed on the commercial negotiations in France that there was a change of ministry in France, and we were unable to carry on negotiations for a month, and I went to a place which I have in the south of France for a month and had to do my own cyphering while I was there; so I know what it is.

29,129. (*Chairman.*) What class of men do you contemplate might be employed as messengers?—I should think it might be possible to find non-commissioned officers of thoroughly good character. I think you must take teetotallers. There is a good deal of temptation in heavy travelling. The men get no proper meals, and if they are given to drink at all, they are certain to become drunkards. At the present moment in order to try and save money the Foreign Office have been running down the messenger service dangerously, I think as regards the number of messengers sent. I believe that at the present moment the bag is carried between Calais and Paris by a facteur of the embassy in Paris who is very well known to everybody in the Foreign Office—a facteur who is known as Louis. He is a perfectly confidential person, but he is a French subject; and I do not think that the employment of a French subject to carry that bag can be defended. Certainly, as regards any successor that Louis might have, I should feel most anxious with regard to the safety of that bag. You would never know whether your bag had been opened. The seals could be imitated, the bag would arrive intact, the despatches would not be taken away, but they would be read; they would be read upon the road and copied.

29,130. (*Mr. Hanbury.*) Are there any other cases of that kind?—I do not know of any other; but I think you will find that Foreign Governments spend as much money on their messenger staff as we do; and in addition to that they largely employ attachés in supplementing it. The French and the Russian Governments I know send attachés backwards and forwards from London to Paris continually. The Russians have men crossing several times a week, attachés from London or from Paris, as the case may be, and carrying bags each way, in addition to their Feld-Jaeger service. I think you will find that they trust the post less than we do, but on the other hand, they do not pay salaries of 400*l.* a year to persons for carryings bags.

29,131. What do they pay, do you know?—About 100*l.*, I think, or 120*l.*

29,132. (*Chairman.*) Do you think there is any necessity at all for maintaining Queen's messengers at the present rate of pay?—No, saving existing interests.

29,133. Is there any function which they discharge which is of a character that demands a high rate of pay?—None. Except to save existing interests I can see no sort of reason for maintaining the present rate of pay. I think you might obtain perfectly confidential men at comparatively low rates of pay; but of course the greatest possible care ought to be taken in the selection of those men, and they ought to be ruthlessly dismissed, would almost say upon the slightest suspicion; because you cannot afford to have men whom you cannot thoroughly trust. I may give a reason for this. I know the House of Commons are inclined to think that the Foreign Office exaggerate the necessity for secrecy, but there is an institution known as the Cabinet Print. I have often protested against that print existing at all, it is so dangerous. Almost everything, almost the very most confidential and secret documents of all, are printed in that print. Occasionally something of immense importance is kept out of it because of the danger, but that is very rarely done, and as a rule on all the days of the year but one or two everything of the most secret kind is printed for the use of the Cabinet, and is also sent to the Embassies; it is horribly dangerous, and I think it would be desirable not to have that print at all; but if it exists, as it has now existed for many years, it is a thing which foreign governments would be very glad to get hold of from day to day, and which certainly, if they do not get it already, they will try to get if your system helps them.

29,134. (*Mr. Hanbury.*) I do not quite understand; is this an objection to having a printing office?—No, nothing is ever got out from the printing office; the Foreign Office printing office is perfectly to be trusted.

29,135. (*Mr. Harvey.*) So far as we are concerned your point here is that those things if continued should never be sent by post, but should always go by messengers?—Certainly; and ought to go by a messenger whom you can thoroughly trust, and not by a foreign subject.

29,136. (*Mr. Maclure.*) I understand that you would not abolish Foreign Office messengers, but you say that

our salaries are higher, which of course we know they are. Do the Russian messengers travel as much as ours, and are they in as continuous employment; they are not, I think?—My impression is that they travel more.

29,137. The complaint of the Foreign Office messengers is this, that they are perpetually on the move?—My impression is that you will find the others travel more. If you notice the figures in the Russian and the German estimates you will find that the salaries are very much lower, but that the costs of the service is as high; that looks as though they travelled more. Certainly no one can travel more than a Russian "courier," I think; he is the ideal of a traveller.

29,138. (*Chairman.*) Your evidence points to this, that in the case of these Foreign Office messengers it is very desirable to take great care in appointing the men?—Yes.

29,139. With reference to some of our own home messengers, do you think that there might be more care exercised?—Yes. If you choose, for foreign service messengers, to have men of a certain class whose social standing would give you more knowledge of them than perhaps with regard to others such as I have suggested, you might get even those at a very much lower scale of pay than you pay at the present time. For example, if you were to adopt a plan which I proposed when I was at the Foreign Office, and which was not accepted, you would get men at a much lower scale of pay. Throw it open to officers of the Army and Navy, retired officers of certain ages, men who had happened to retire young for one reason or another, who could produce very high certificates of character and conduct, temperance and sobriety. Throw it open to those men, and have an examination, say in French and German, for it—some simple examination in the colloquial knowledge of French and German—and let it be fought for among those men. You would get any number of candidates at a lower scale of pay than the present rate. It is at the present moment a matter of great patronage—it is very much sought after.

29,140. (*Mr. Lawson.*) For half-pay officers?—Yes, certainly. As I say, at the present moment these posts are sought after; they are looked upon as very desirable billets.

29,141. (*Chairman.*) Leaving that point, perhaps we might come to the question of the staff of the Foreign Office and the extended use of the clerks of the second division, or what has been hitherto called the lower division?—Given the fact that I myself am opposed to the existence of several classes of clerks in one office, and cannot see how that system can be expected to last, and accepting its existence as a fact, if there are to be two classes of clerks, or let us say more than one class of clerks in the Foreign Office, I am of opinion that lower division clerks could be more largely employed than they are at the present time. I should imagine that about one-third of the work done in the political departments of the office is non-confidential work, and that it is capable of being easily separated from the confidential work. About a third of the time of the clerks in the office, and even in the smallest departments something like the whole time of one man in each department is taken up upon non-confidential matters, which I shall ask your leave to describe. Take, for example, the appointment of foreign consuls in the British Empire, the attesting the certificates of births and deaths, and obtaining information from Somerset House as to persons who have died or inherited money, and so forth, procuring facilities for travellers, giving letters of introduction, answering letters about letters of introduction, and forwarding information to other persons. The last is a most important item. A great number of things arrive from abroad which have to be sent, some to the Geographical Society, some to the Palestine Exploration Fund, some to a department of the Government other than the Foreign Office. Then there is obtaining facts for foreign governments. Foreign governments are continually writing, saying, We are proposing legislation upon such and such a subject, can you give us any information as to the condition of your own laws upon the subject. That involves a letter to the Home Office or a letter to the Local Government Board, and so forth; and then another letter when the information comes back. All this non-confidential work at present done in the various political departments might easily, I think, be picked out by Mr. Villiers when he opens the letters. I can see no reason why when he sorts the letters under the various departments and sends them to the departments he should not pick out all the non-confidential work which is of this description—that is strictly non-confidential, and not even mixed up with confidential work—and should not send all that to a non-confidential department manned entirely by lower division clerks, or what I think Lord Lingen would probably call a copying room; but whatever name it is called by, to a non-confidential section of the political departments. When a foreign consul is to be appointed in the British Empire, a foreign government writes proposing a particular person. If it is for a home appointment, the Foreign Office has to write to the Home Office about it; if it concerns a colony, to the Colonial Office; if India, to the India Office. There are two replies from the office written to, a preliminary reply saying they will ask for the information and find out, and then a further reply saying that they have asked for the information and found out. Each of these replies has to be communicated, or the substance of it sent to the Foreign Government which has asked the question, and I believe that on an average in every case of the appointment of a consul there are four letters each way, four letters in and four letters out. The men at the head of the office do not as a rule know much about this kind of work, because it never reaches the secretaries—it never goes beyond the head of the department. The head of the department looks at the draft, and initials the draft, but it never goes beyond him—never goes up to a secretary. There is an enormous amount of this non-confidential work. Certificates of births and deaths are continually applied for in connexion with wills, or with the death of intestate persons—foreign governments having aided some person in trying to find out facts with regard to persons from whom he may receive successions. There is a great deal of forwarding work, sending things to other departments and to learned societies. Of course you cannot say that all forwarding work should be dealt with as non-confidential, indeed some forwarding work may be highly confidential, for example, forwarding the reports of military attachés to the War Office, or the reports of the naval attaché to Admiralty, but Mr. Villiers, or whoever opens the letters in the absence of Mr. Villiers, could pick those out without any increase of labour, because he has to look at every document at the present time to see what department it should go to, and it would not increase his work for him to see whether it was confidential or not. Letters of introduction I have already mentioned, I think. There is a large class of letters besides the ordinary letters of introduction, such as letters to obtain facilities—letters for merchants in China, Japan, and Siam, and the further East, generally asking the consuls to give them facilities, and letters for travellers who desire to study particular institutions; a gentleman going to the United States who wished to be put into relation with the Labour Bureau, a gentleman going to Germany who desires to study the German system of education, and so forth; such letters are largely given. Then I have also mentioned the inquiries of foreign governments as to legislation and institutions in this country. These present a little difficulty because they are very often verbal. A foreign minister, or a first secretary, or secretary of embassy, will come to the Foreign Office, and will see the head of the commercial department, or he will see the Under Secretary of State for Foreign Affairs—the Parliamentary Under Secretary—and he will, in the course of conversation with him, express a desire for information with regard to particular institutions existing in this country. But even that, I think, might easily be dealt with in the non-confidential room, because the gentleman to whom the request is made might easily make a little memorandum of it, and send it down to the non-confidential room, to be there dealt with. There is an answer to what I have just said. The answer is that in ordinary times, when there is no great pressure of work upon the office, the men who do these things, if they did not do them, would have nothing else to do. These things can be delayed; they can be put aside when a great pressure of work comes in, and to some extent it is true that if you have a non-confidential room manned entirely by lower division clerks doing this non-confidential work, the regular staff of the office would sometimes be sitting twirling their thumbs; that is true. It is for the Commission to weigh the advantage and the disadvantage of the two systems. You must have the Foreign Office over-manned for its daily ordinary work because the pressure of work comes so very suddenly upon the office that there is no time to bring in a staff from abroad. You may have the office

The Right Hon. Sir C. Dilke, Bart.

6 Mar. 1890.

quiet, especially certain departments, quite quiet in the morning, and by 7 o'clock in the same evening they will be in full swing, with more work than they can possibly get through, and all this non-confidential work falls heavily into arrears in consequence. That in itself increases the work because great numbers of people write to complain that their letters have not been answered. Of course work of this sort must be put aside when confidential work of importance comes in. I have stated my suggestion, and I have stated the difficulty in the way, but on the whole I think it would be desirable if you have two classes of clerks at all that there should be a non-confidential room in which this work should be done by lower division men. In connexion with the work of the lower division clerks were you going to ask me anything about the question of secrecy.

29,142. We should be glad to hear your opinion upon that?—Of course there is the general question of lower division clerks and secrecy. I speak with a good deal of hesitation upon this point, because I think that the employment of lower division clerks in the office has slightly increased since my time, and the rooms in which they work may not be the same as those in which they worked when I was there, and generally changes may have been made with which I am not thoroughly acquainted, but I rather doubt whether it is either practical or convenient to carry out the idea of attaching lower division clerks to departments and making them work in separate rooms in connexion with the department. It involves an enormous number of small rooms, and it is very difficult to prevent men coming backwards and forwards into the room. In the treaty department I believe there is a lower division clerk who in practice, although not in theory, does work in the same room with the other men; he has a separate room, but I believe as a fact he works in the same room as the other men. Now the work in the treaty department is highly confidential. Our treaty department is not like the foreign treaty departments, not like the foreign Protocol, it does not do formal work alone. Our treaty department also takes in addition to the formal treaty work all work that grows out of treaties. Now the Commission will see at once that some of the most confidential work in the office grows out of treaties. Take Newfoundland, take the American Fisheries, take the late trouble with Portugal, all those matters and several others which I might name of the most difficult and dangerous questions that we have, in some sense, grow out of treaties. I believe that Sir Philip Currie has since he has been at the head of the office seen the difficulty of the present admixture of the different kinds of work in the treaty department, and has taken out of the treaty department from time to time very important questions as they grew to be important. I fancy, although I am not sure of this, that he took the fisheries question out of the treaty department and restored it to its natural department, the American department. But continually these confidential questions spring up in the treaty department. Take Samoa, for example. If there should be, as there probably will be, further trouble sooner or later in Samoa, it will naturally be dealt with in the treaty department because it will grow out of a treaty.

29,143. (*Mr. Harvey.*) We have it in evidence that after four or five years lower division clerks may see confidential papers in the librarian's department?—In the librarian's department, yes. The librarian's department is highly confidential, that is to say, although as a rule the confidential work which they would see would not be of a character very attractive or very important to foreign governments, it would be very valuable in many cases to newspapers, it would be what the newspapers would call very good copy. Any intelligent man employed in the library, if he wished to commit a breach of confidence, might in the course of his work make notes, which would be valuable for sale to newspapers undoubtedly, and of course the more you make rules that particular classes of clerks are not to see confidential matters, the more you show a distrust of them that one would think would tend to prevent their having the same high sense of honour that they would have if you trusted them freely.

29,144. (*Chairman.*) Are there any economies you could suggest in the office. What do you say about the question of its being over-manned?—I do not think that the Foreign Office is over-manned. It certainly is not sufficiently manned always to be able to keep pace with its work even by working long hours and by working hard. The impression that the Foreign Office is not a working department, which is caused by the lateness of the hour in the morning at which it begins work is hardly true. There are one or two men in the office who have never done their fair share of the work; but taking the average of the office through, I think it is a hard-working department. They certainly work late in the evening and they work fast and hard.

29,145. The hours of course must be different from other offices?—The hours are peculiar hours, which is largely caused by the fact of the Secretary of State being a member of the Upper House; he does the bulk of his work when he comes back from the House of Lords.

29,146. I suppose a good part of his afternoon is spent in seeing the ambassadors?—Yes, that of course is an enormous waste of time.

29,147. Will you please go on?—As regards the lower division clerks I have views which I should be prepared to state to the Commission if they want to hear them, but I am modest about them. I have no wish to press them upon the Commission at all. I do not think that they are views that other people share, and I do not know that they are very specially applicable to the question of the Foreign Office.

29,148. I am sorry that we had not had the advantage of hearing you before on that subject.—I almost hesitate to give them, because I feel that they are somewhat crude, and that men with the experience of Lord Lingen will see weak points in them which I ought to have seen myself.

29,149. (*Mr. Hanbury.*) Why is it assumed that these lower division clerks are not to be treated with the same confidence as other clerks are to be treated?—I myself have already said that I think the Foreign Office is very exceptional, because it is the only office except the Admiralty, in the case of this country, and the War Office, in the case of other countries, where the army is more important than it is here—in which foreign governments would be likely to plant men for the purpose of obtaining information. That I think makes it very special, and makes the whole mode of entrance to it important from the point of view of secrecy; but, speaking generally, I should agree with what I feel to be the belief of the Commissioner who speaks to me that it is very undesirable to set up these artificial rules with regard to secrecy as between one class and another class of clerks.

29,150. You have stated in evidence, for instance, that the highly important work of the messengers who carry these very confidential documents is done by a class of men in the German service who, if anything, are rather below the lower division clerks?—Yes; the Germans from their very large army, and from their very strict discipline, and from the very general spread of education in Germany, and the high character of their population, are particularly lucky in being able to find a great class of what you may call the non-commissioned officer type, which is rather wanting in other countries. It is not so easy to find them in other countries as it is in Germany; for instance, supposing the Russians wanted to set up a similar system, I think they would have a very great difficulty in doing so. They have, some difficulty in recruiting from Russians their Feld-Jaeger messengers. The Germans are happily placed as regards finding confidential men not technically gentlemen.

29,151. (*Chairman.*) I have asked you about the over-manning of the office, and I think you have pretty well explained that. I am not sure whether there is any other point which you would like to mention?—There is one matter which I should like to mention as regards the office which I might mention here, because it is rather connected with the idea of establishing a separate non-confidential division of the political side. It has been suggested I think by various Foreign Office reformers to establish a separate political room at the other end of the scale, that is to say, an upper separate room which has been called an intelligence department. I should like to say that I am somewhat opposed to that idea. I fear that while the ablest among the younger men are in favour of it, it would lead to the ablest among the younger men concentrating all the real work in the office into the hands of a very small number of men, and making the dreary monotony of the work of the other men more distressing than it is. As regards the past, as regards documents, the library of course is and must continue to be that intelligence department; but as regards the actual work of the moment I should fear

that the creation of anything like an intelligence department would be likely to cause a grabbing of the most important and the best work by the men in it to the detriment of the office as a whole. Of course it depends upon what you mean by an intelligence department, but I am a little afraid of the suggestion.

29,152. I do not think the suggestion has been made to us as far as I can remember?—I have heard it made, but I do not know whether it has been made here or not; I know it is a favourite idea with some of the very ablest of the young men in the office.

29,153. (*Mr. Lawson.*) The idea is to have an intelligence department something akin to that at the War Office, is it not?—Yes. Of course in any foreign office it must be the case that there are only four or five men with a real general knowledge of foreign affairs and a keen interest in them. Other men may take an interest in the particular branch of work which they are doing, but there will be naturally a very small number of men who take a general interest and who really are generally competent all round; and it is a very natural thing that those men should want to get hold of all the best work in the office, but I am not sure that it would be a good thing for the office that they should.

29,154. It would be establishing another artificial barrier really inside the office itself?—Yes; I am afraid so. I should rather look for the same good results from the system of amalgamation, or from steps in the direction of amalgamation, by bringing men backwards and forwards, and giving them a more varied experience of the different forms of work, and especially by absolute regard to merit in promotion. I think that it would be important to have in view the promotion in the office and among the consulates as a reward of merit; that is to say, that we should have less regard to seniority in the service, and more regard to merit than is the case at the present time.

29,155. (*Chairman.*) Within the office itself as well as outside the office?—Both in the office and outside. I think it is easier to promote a man for merit in the office to a good place outside, or a man for merit outside to a good place in the office, than it is to promote him in the office, or outside as the case may be; that is to say in the one case you more distinctly appear to put him over the heads of men of his own standing than you do in the other.

29,156. That is an additional reason in favour of what you suggest?—In favour of amalgamation. Yes.

29,157. (*Mr. Hanbury.*) How would you propose to find out his merit if he is abroad?—I think the men are pretty well known. I think the head of an office like Sir Philip Currie, or Sir Julian Pauncefote before him, or Lord Tenterden before him, pretty well knew the merits of all the men in the service. It is a service in which naturally from its character there is a great deal of gossip and men's merits are very well known. I think you may say generally that in the Foreign Office and the diplomatic service—not so much in the consular service—almost every man knows the merits of almost every other man in the service.

29,158. (*Chairman.*) Are there any other points which suggest themselves upon which you would like to say anything?—There are some points which are of interest and importance in connexion with the office, but they are a little off the lines of this Commission. I think, for instance, with regard to the character of the work in embassies and in the Foreign Office, and the amount of work that there is to do, the fact that the most important work is very often contained in the private letters of ambassadors is certainly detrimental to the efficiency of the service, although it may possess advantages from the point of view of the Foreign Secretary. As a matter of fact, ambassadors put their most important things into their private letters. Some ambassadors write very few private letters, other ambassadors write an enormous number of private letters. The late Lord Lyons, who was from some points of view a model ambassador, from the punctuality and regularity with which he discharged his duties, and the immense amount of ability and energy which he brought to bear upon them—Lord Lyons was, perhaps, from that point of view, not so useful to the service, because in his case he carried on his work chiefly by private letters written in his own hand. Those letters never came into the office, never came into the embassy; no record was kept of them, they were the property of the Secretary of State for the time being to whom they were addressed. That system is detrimental to the efficiency of the Foreign Office and of the embassies, but the question is rather off the lines of this Commission.

29,159. (*Mr. Harvey.*) Is there any office rule upon the point?—There is no rule. You cannot insist on an ambassador writing a given number of despatches; you cannot insist on his not writing a given number of private letters. I do not see how you can make a rule. Of course, private letters, when it is necessary to lay them before Parliament, are turned into despatches; that is to say, by the order of the Secretary of State they are treated as despatches, and become despatches, and are bound and registered in the office.

29,160. (*Chairman.*) Do you think it possible to make any suggestion which might tend to improve that?—I do not know; we can only hope that Secretaries of State may have the patriotism to discourage a practice which is convenient to themselves.

29,161. (*Mr. Harvey.*) If in laying before Parliament a long correspondence it should be found that the correspondence is practically incomprehensible without the insertion therein of certain letters which are the private property of the Secretary of State, I suppose then they are at once put in?—Yes, they are turned into despatches and numbered as despatches by the leave both of the Secretary of State and of the ambassador. The Secretary of State or his private secretary writes to the ambassador and says, I want to make your letter of such and such a date into a despatch, and then the ambassador says, I have not the slightest objection, only I must see a proof of it.

29,162. (*Mr. Lawson.*) I suppose they are what we may call formalised, they are put into shape?—If necessary.

29,163. Because the papers we see in Parliament are all in one form?—Yes, if necessary they would alter it to "My Lord," and so on.

29,164. You could not of course draw up a regulation upon that for an ambassador?—No.

29,165. But as touching the embassy itself it must have a prejudicial effect?—Yes, it has, because men do not know what is going on.

29,166. (*Lord Lingen.*) I think I understood that the basis of all the evidence which you have given to the Commission rested upon this, that you think the Foreign Office, the diplomatic service, and the consular service, should be amalgamated?—Yes.

29,167. And that as part of that amalgamation you would say that the Foreign Office differs from the rest of the Civil Service?—Yes.

29,168. Then accepting that as your opinion, I understood you also to say this that in the Foreign Office (we need not go into the rest of the Civil Service), if it could be so brought about you would prefer to have one class of clerks and not more than one?—Yes.

29,169. And that class of clerks would be, I presume, on the whole the sort of clerk that you have in the political departments of the Foreign Office?—Yes, I ought I think to explain that my view in favour of one class of clerk does as a fact, although you have not so asked me, extend to all the offices. I would only have one class of clerk in each office.

29,170. I think I should like at present for our purpose to consider the Foreign Office only, that being according to your evidence from its connexion with the diplomatic and the consular services on a somewhat different footing to the rest of the departments. Now take the chief clerk's department, which deals with accounts, and the treaty department, which deals very largely with records, and the librarian's department, which only deals with papers of a certain date not of immediate interest, would you apply your system to all those divisions?—I have already pointed out that unless the treaty department should be altered to be a mere treaty department, it is really a political and confidential department which ought to rank in nature with the other political departments by the practice of its work, but as regards the library and the chief clerk's department and the treaty department itself (if it were confined to mere treaty work) I am quite of opinion that it would be possible to treat them as separate offices with a different staff of clerks altogether.

29,171. And by treating them as separate offices, would you mean a cheaper order of clerk?—I think that it is possible to have a cheaper order of clerk, although I myself dislike the orders. There is one reason which tells against orders which I think ought

The Right Hon. Sir C. Dilke, Bart.

6 Mar. 1890

to be borne in mind. A man who is in this chief clerk's department, or in the library or in the treaty department, and who belongs to this cheaper order of clerk, may show great ability there; he may be employed in practice in some other department; it has happened before; there is a gentleman in the Foreign Office at the present time, Mr. Maycock, who I think comes from one of those departments and who has served nearly the whole of his time in the political departments of the office. I think, as it has occurred before, it will occur again. Then you find those artificial rules as to the grade of the service to which they belong standing in the way of a man's promotion, making it difficult to put him over the heads of other men.

29,172. If you had one order of clerk with the class of clerks that are in the political department—I think the witnesses that we have had before us have suggested this—that it would be a very great advantage for a clerk at home or who was going abroad to be in positions where he would have to take a great many resolutions for himself, and that it would make him a much more competent official if he had been passed through the chief clerk's department, and passed through the library. We have always been met with this objection, that in these auxiliary departments everything that you want is experience, and it would not do to pass men through them only for a short time. Do you think that is a well-founded objection?—I think there may be something in it. The French, who have the amalgamated system, as I have pointed out, kept their fonds and archives and protocol, that is their chief clerk's department, their library, and their treaty department, separate from the rest of their office, and the amalgamation in that case concerns rather the chancelleries and the consulates than the diplomatic service.

29,173. Without pressing that point further, leaving those departments, like the chief clerk's and the library, aside, and coming to the clerks in the political department, is there not a great deal of copying in that department, which is now given to those clerks to do. By copying, I mean not only copying enclosures, but when a minute has been settled, and the draft of a letter by the principal officers writing that letter with their own hands before it goes out of the department. It is perfectly true that two or three years of that sort of work makes the junior a much more competent person; he becomes familiar with official forms, he has all the current business of the office going through his hands; but in the Civil Service the promotion being somewhat slow, if you keep a youngster from for six, seven, eight, nine, or ten years at that sort of work, you have taken all initiative out of him whatever; at least that is my experience?—I quite agree.

29,174. Now, how would you meet that if you have only one class of clerk, because the promotion will leave a great many of these men doing strictly copying work?—I repeat, if you are to have two classes of clerks, and I presume that—although that is not my personal view, that is the view taken by the great majority of more competent people who have considered this question—if you are to have two classes of clerks, I am distinctly of opinion that you can do a great deal of this non-confidential work by lower division clerks in the Foreign Office.

29,175. I should rather like to take your opinion that we are to have one class of clerks; then how should you deal with this question, that for the sake of the future of the office we are rather injuring our future senior officers by keeping them so long on this lower class of work?—I am afraid that it is a weak point in the system of a single class of clerk, and that it is useless to disguise the fact that that is a weak point in the system. I should answer myself that I would promote by merit the men who showed that they were likely to be the men to rise to the higher ranks. I would promote them rather rapidly. Of course there are drawbacks in that course, and I perfectly see those drawbacks. I may say that the difficulty of spoiling the men by keeping them at this A B C work in the Foreign Office and the diplomatic service is carried very far indeed. Men spend, I am sorry to say, 20 years, and even 25 years, of their lives doing this A B C work.

29,176. What would you say of the men at the end of those long periods?—It is very bad for them.

29,177. I will not dwell further on that point. Are you satisfied with the terms of admission into the Foreign Office?—Yes, I think so. Do you mean as regards the examination?

29,178. What I particularly want is your opinion as to the element of competition?—I have said that I am opposed to open competition for the Foreign Office. I believe that foreign governments would make use of it for the purpose of planting men upon the office; that the examination in the case of the Foreign Office must be in foreign languages; and that you would have men of mixed parentage and of foreign education, of whom you would know nothing, planted upon you, and that you could not trust them.

29,179. But accepting the principle of limited competition, you would still be in favour of competition?—Yes.

29,180. The competitors having been duly selected?—Certainly. I should hope that Secretaries of State would take a very non-personal view of their patronage in connexion with the office; that is to say that they would less and less as years go by use it as private patronage, and more and more use it as trustees for the public for the purpose of getting the best men.

29,181. Another point, as to the difference between ambassadors and ministers. If we take the case of Washington and Paris, where you have got republics, is there anything that an ambassador in Paris or in Washington could do now which a minister could not do, or would it be simply a compliment to the United States to give them an ambassador?—It would be a compliment, and it would also, and I attach more importance to the second argument, enable you to get your best men from your whole service for Washington apart from any difficulty caused by its being what is called an inferior post. You could not at the present time easily expect that a man who had been say ambassador at any European capital, should consent to go afterwards as minister to Washington.

29,182. Would it make any difference to his pension whether he was ambassador or minister?—I believe it would, but I am not certain of that. Apart from pension, apart even from salary, there are few men big enough, of course there are some men big enough, to be able, having been an ambassador, to become a minister. It takes a very big man to say, "Oh, I do "not care a bit."

29,183. We had from one of the witnesses before us a good deal of evidence about the use of consuls on the commercial side, and I think I may say the gist of that evidence was that the Germans attended much more to the commercial side of the consular service, and took much more pains to make it efficient on that side than we do; have you any view on that subject?—I have no personal knowledge. I have a good deal of hearsay knowledge of it, I very often heard it said by persons whom I should be inclined to trust, but as I say I have no real knowledge of my own.

29,184. The French consul, I rather gather from your evidence, from the very fact that he was constituted a part of the foreign service is more a diplomatic than a commercial person, is he not?—He may be in more cases diplomatic than commercial than he is with us; but still of course there are a great number of French consulates where the consul is purely commercial.

29,185. Do they make reports on the commerce of the country in which they are situated, as our consuls do?—I have not seen them published. I know they make such reports, but I do not think they are published with the same liberality. What is done I think is to send these reports to chambers of commerce, I think they are handed round to chambers of commerce rather than published.

29,186. The witness that I am referring to dwelt very much upon this fact, that our consuls very often did not know the language of the country in which they were employed, sufficiently for the duties of their office, it was pointed out to him that a native and unpaid consul who is allowed himself to trade has at any rate the advantage of knowing the trade of the country and of knowing the language. What do you think of that class of person for us—the unpaid local trader who is also a consul?—There are some places where he can be very usefully employed, but of course the danger is of the position being used for advertising purposes by one man to the detriment of his competitors, and of your Queen's Commission being made use of really in trade.

29,187. If you had a practically free hand, would you retain that class of unpaid local traders for vice-consuls?—I would sooner give salaries, and have competent men. Apart from the question of whether I could afford to do it I would sooner have the paid men,

but of course I must cut my garments according to my cloth; it would be a question of cost.

29,188. (*Mr. Lawson.*) Dealing with the Foreign Office for a moment in answer to Lord Lingen expressing your views as to the solidarity of the department, do you not see that there is a great difficulty in keeping the second division clerks in that office, without any hope of rising to the first division, or of doing a higher class of work, and that it is likely to affect the service prejudicially?—I think it must be so; it is very strongly my opinion that that must be so in all the offices.

29,189. You are aware that we have recommended that the bar should be done away with in the case of the other departments?—Yes; but so long as you have two names and two scales of pay, and two modes of entrance, there will be a bar I am afraid.

29,190. But still there will be the hope of promotion?—Yes.

29,191. In the Foreign Office there will be none?—Yes.

29,192. Therefore, whilst everybody can see the difficulty and the harm that will be done by keeping the diplomatic clerks to the routine work for so many years a good deal of harm might also be done by keeping the lower division clerks to it in the same way?—Yes.

29,193. Supposing that we are obliged to retain these two classes, I presume that you are not in favour of having the third class which you find in the Foreign Office?—No; I think it is a needless complication.

29,194. At any rate it is a mistake, as their entrance is now by limited competition, to cast a slur upon them, as is done at the present moment by debarring them from doing higher work?—Certainly. But I believe at the present moment the difficulty has sometimes been met by promoting them in the diplomatic service occasionally.

29,195. By transfer?—Merely nominally.

29,196. According to your view by the present system of examination for the diplomatic establishment of the Foreign Office you get a sufficiently good class of men?—Yes.

29,197. Would you say a better class than you get for the diplomatic service itself?—Far.

29,198. Do you attribute that a good deal to the fact of the virtual existence of a property disqualification of 400*l.* a year?—I do not think so; but I do not think it is of very much importance really. The whole tone and tendency of the diplomatic service in the past and its prospect of promotion have not been such as to tempt very able men into it as a rule. I think when an able man goes into it, it is rather because his father or somebody belonging to him wants him to go into it, because he has been connected with it himself rather than because the boy has much belief in it or interest in it.

29,199. Does not this insistance upon the property test, tend to make an artificial standard of living in the diplomatic service itself?—I think something makes an artificial standard of living; I should rather imagine that it is probably the whole tone and opinion of society upon the subject of diplomatists. It is not really necessary that a youg man should have a large income to live in a great capital and to live as a gentleman.

29,200. Not if he lives reasonably and moderately?—That is so.

29,201. Of course he can spend anything he likes?—Yes, of course.

29,202. As a matter of fact, in transfers from the Foreign Office there has been no talk of property?—No.

29,203. If the two services were amalgamated, I think Sir Philip Currie admitted in evidence that it would be a great gain to the Foreign Office to be able to recall men at times of pressure?—Yes.

29,204. Could that be done more easily do you think with a service which combined the three branches in one whole, diplomatic, consular, and Foreign Office?—Well, as regards a commercial negotiation no doubt you could find on the consular staff men who would be most useful to you, even if the men were kept a long time at the consulates, if they were freely interchangeable.

29,205. At the present time supposing that there is a commercial treaty to be negotiated do they ever send for consuls?—When I had to negotiate with the French Government I sent for Mr. Crowe, who had come into the service as consul-general and who was commercial attaché at Berlin at that time.

29,206. Of course he has passed from the one service to the other?—Yes. He has always been in a somewhat peculiar position. He came in as a consul-general but he discharged functions more diplomatic than consular. Then he went to Berlin, where he discharged both diplomatic and commercial functions; and so he does at Paris. Nominally he discharges commercial functions only; but really he is a good deal employed in what are diplomatic capacities, I believe.

29,207. We had the advantage of hearing Mr. Law; he was taken straight into the service from outside?—He was; and there was some objection made at the time; but I believe that it has been admitted since that the appointment was a good one.

29,208. If the whole service were amalgamated, do you believe that the traditions of our Foreign Office would make men who entered loth to take the lower work, as they would imagine it to be, of the consular branch?—I do not know. Some of the consulates, such as the consulates in healthy places, I think would be in demand among the men who thought that they had no great future before them. I think they would like them.

29,209. Do many men consider that when they enter?—After a little time I mean. I do not mean the moment a man enters; but after he has been there some time.

29,210. It was suggested by Mr. Law that every diplomatist or certainly all those who ever thought of taking up commercial work should pass a certain time in the commercial department of the Foreign Office; do you believe that would be of much practical use?—It has been lately decided by the French that all their men shall pass a year at least out of three years in the Commercial Department, and I think it might have an advantage here. Generally speaking, I am in favour of transferring the men freely for them to see a good deal of the various sides of the work.

29,211. If the whole of the services were amalgamated you would have to revise entirely the scales of pay, to make exchange possible?—I have no doubt consular revisions would have to take place, but perhaps not so much as is supposed, because at the present moment there are many exchanges of men each retaining their own rate of pay.

29,212. Between the diplomatic service and the Foreign Office you mean?—Yes. So that you will have men doing the same work at the same place, but drawing very different rates of pay now.

29,213. Practically the opinion expressed before this Commission has been unanimous in favour of amalgamating the Foreign Office and the diplomatic service?—I am glad to hear it.

29,214. But with regard to the consular service, very little has been said. What I want to know is how you could bring that into the system?—I should be glad to see it partly brought in, even if it could not be completely brought in, if there are difficulties, financial and other, which prevent a complete amalgamation. Even then I should be glad to see important consulates that fall vacant offered, at all events, to the Foreign Office and the diplomatic service before being conferred upon persons brought in from the outside. I have a great horror of the use of any Government employments as mere patronage.

29,215. Would you appoint them without further examination in commercial law for example, or any subject of that sort?—I have no objection, myself, to a second examination after the men are already in the service; but it is generally found that you have to leave a loophole. There are some men that you want to bring in whom it is impossible to subject to an examination, and then if you do leave a loophole it destroys the system of examination.

29,216. But you are against a ladder in the consular service itself, I understand?—I do not think it is necessary, according to what we see of the French example.

29,217. Therefore let us take a concrete instance; supposing a man were a second secretary, and he were offered one of the best consular posts, he might be transferred; but if he wanted promotion he would have to go back after some years to the diplomatic service or to the Foreign Office?—Yes.

The Right Hon. Sir C. Dilke, Bart.

6 Mar. 1890.

29,218. He could not look for his promotion in the consular service?—No, because there would be nothing above his post.

29,219. He could not claim it?—Not as a rule. That is the case now with the consular service. There are some men who go straight into important consulates where they perform most valuable services, but where they have no chance of promotion, and who remain for the whole of their lives in the same place.

29,220. It has been pointed out to us that the absence of a chance of promotion has rather a mischievous effect?—But still under my system these men would have a better chance, because by performing from time to time duties for ministers for example, they would become known in the diplomatic world, and the best of them would become ministers or ambassadors.

29,221. We have in our service two great bodies of consuls de carrière in Turkey and the Levant, and in China and Japan?—I have no doubt there may be reasons especially connected with the native languages for making those to some extent a close service. I believe that it is necessary, and no doubt it is very necessary to have at all events a portion of the staff speaking the native languages better than you can hope for if you do not treat them partly as close services.

29,222. Then you would leave them as they are?—I do not know that I would leave the whole service as it is, but I think some special provision for having a constant supply of men speaking those languages is necessary.

29,223. You know how they are trained of course?—Yes.

29,224. I want to get it exactly from you that your proposed amalgamation would only apply to the consuls outside those countries?—It would apply chiefly to those.

29,225. You do not contemplate the abolition of unpaid or commercial consuls?—I am afraid that there is no hope of getting the money to replace the unpaid consuls by salaried consuls. I had sooner as a principle have salaried consuls, but I am afraid it would be hopeless to expect that the salaries could be obtained.

29,226. In no case, I suppose, could you have salaried consuls in small places like the great list I have got here in Sweden and Norway, where the fees are about 5*l.* a year?—In some of those places consuls have been appointed simply because they are unpaid, simply because they do cost nothing. If there had been a proposal to pay a salary, the result would have been that the consulate would have been abolished.

29,227. They are very small, as you say, but if they are pleased with the dignity of the name, so much the better?—Yes.

29,228. Therefore you do not propose at present to decrease to any large extent the number of unpaid posts?—No, I prefer the system of paying people to the system of not paying them, but as a practical matter I should not.

29,229. When transfers have taken place from the consular to the diplomatic service, it has always been in the case of exceptional men who have distinguished themselves at their consular posts, has it not?—Chiefly I should think. The men that I named were all distinguished men, but then of course naturally it would be the distinguished men that would occur to one; there may be other cases, which I did not think of, of men who would not be called distinguished.

29,230. But there are not the same chances of coming to the front, of course, in the consular service as there would be in the other two services?—That is so.

29,231. Therefore a man who entered it might want a comfortable berth, but he would sacrifice the hope of distinction to some extent?—Under the present system certainly, but I should propose, for example, by employing consuls in diplomatic work, from time to time to give them a much better chance of becoming known.

29,232. Yes, but you took the example of a man at New York?—Yes.

29,233. I imagine it would be very difficult under the present system to spare him from New York, which is the commercial centre of the United States, and to send him to Washington, which is simply the political centre?—It is only a question of sending him there for a time. In most cases you have someone who is able for a time to do the work, under the general direction of the other man, conveyed by post.

29,234. (*Mr. Harvey.*) You told us that there was no ladder in the French service. If that be so, how is promotion secured?—The promotion is generally by changing from one branch of the service to the other. A man does not so much get promotion within the consular service as he gets promotion by being moved from the consular service into a higher post in the diplomatic service, or in the Foreign Office again.

29,235. Now is the effect of that, that the French consular service is a fairly contented one?—I have no means of saying whether that is so or not. I cannot answer the question.

29,236. I think, in answer to Mr. Lawson, you said that you had given some attention to the system of open competition in force for the consular services in Turkey and the Levant. I have no doubt you are aware that a ladder system was set up in connexion with that?—Yes.

29,237. The evidence that has been given to us would seem to shew that the cost of that service was considerable. Did you ever think that the cost of that service as organised on that system and with that ladder was excessive?—I should have thought not, but I cannot say that I have sufficient knowledge to be able to form a clear opinion. I have some knowledge of the Consulate at Bangkok, and I have some knowledge of the consulates in Turkey, and Japan, and on the China coast, but I cannot say that I have that knowledge which would justify me in giving an answer to the question. I do not feel that I should be justified in answering.

29,238. But you would be of opinion, would you not, that if you had to adapt a similar system with a ladder similarly arranged to the whole service the list would be, I may say, unendurable?—Yes, I am afraid it would.

29,239. Is not that almost a fatal objection to any idea of amalgamation so far as the consular service is concerned?—I cannot think that it is, because the best consulates are very much sought after at the present time. When one of them falls vacant an enormous number of applications are received by the private secretary of the Secretary of State, and they are frequently given to pure outsiders. I cannot but think that no harm could be done, but on the contrary good would be done if they were given to those already in the service who might wish for them, and who might deserve promotion.

29,240. Taking the present arrangement of the consular service as we have it in the Estimates, would you think that that would lend itself to an amalgamated service?—I should think the best way of bringing about amalgamation was to bring it about gradually; that is to say, to recommend a gradual filling up of the great consulates by consuls instead of by outsiders, and the facilitating of exchanges between the Foreign Office and the consulates where men themselves desire it, bringing in fewer men from the outside except men of great distinction specially chosen for embassies.

29,241. (*Mr. Lawson.*) Would there be any difficulties of etiquette at the great courts in bringing in men from the consular service?—I do not think so. There is a great deal of joking about the consular spot or blot, the *tache consulaire*, but I never heard that it was in the way of M. Herbette at Berlin or M. Tissot here that they should have been in the consular service.

29,242. (*Mr. Harvey.*) Supposing you had such an amalgamated service as you contemplate, what would you make the limits of age for entrance. As you are aware the present limits are 25 to 50?—Yes. I am rather disposed to rely upon the tradition of the service at the time being, and upon the discretion of the Secretary of State, than upon any absolute limit of age. I do not like the idea of bringing in outsiders to the consular service; but I could not lay down an absolute limit of age for the whole service because I would not prevent a cabinet from choosing an ambassador of 75 if they want to bring in a particular man for a particular post; therefore I could not lay down an absolute limit of age for the whole service in such a system. Then again if you are applying it to the consular service only, I see no reason for having a special limit of age for the consular service. I should have a late limit of age, say 30 or something of that sort, for bringing in men in the ordinary or normal way.

29,243. We have had a good deal of evidence given in favour of the great importance of a man remaining for some time at a consulate in order that he may get the necessary acquaintance with the language and local

customs. How does the French system affect that. A member of the French consular service is continually being moved about; does he get the requisite local knowledge and the requisite knowledge of the language?—The men who have got a knowledge of a particular language which is very difficult, such as Chinese or Arabic, or any of the other out-of-the-way languages, naturally go backwards and forwards when they are on their consular or diplomatic work chiefly in the countries which speak that language. That is to say, a consul speaking Arabic works chiefly in the basin of the Mediterranean, or in the countries where Arabic is spoken, and a consul who speaks Chinese works chiefly in China. The point always is that he comes back and does work in the French Foreign Office between two terms of service in China. Very likely he would go to the Foreign Office for three or four years and then go back to China. They would not as a rule send him to America when he knows Chinese, but they would send him back to China after he has been sometime in the Foreign Office.

29,244. They do practically have a system of grouping, that is to say, by language?—To some extent they do. On the other hand, in our own system as you know, there are many startling exceptions to that rule; take Sir Kirby Green for example, his training is Levantine. Then he was employed in Montenegro, now he is employed in Morocco. Of course the languages there are as different as any languages can possibly be. There are other cases also of the same kind, men who have gone from the American continent to China and *vice versâ*. Our own system is by no means absolutely one of keeping men always in a country of the same kind.

29,245. Supposing the present distinction between the diplomatic and consular service were retained, we have had a suggestion made to us that commercial business should be the especial business of one secretary at each embassy, would you favour that idea?—I do not think that there is sufficient commercial business other than what you may call consulate business at many of the places to justify it. When Mr. Crowe was at Berlin, distinguished as he is for his knowledge of commercial affairs, I doubt whether he had very much Berlin commercial work to do. I think his work that he actually did at Berlin was mainly political work. He was very useful I think to the ambassador. He was nominally accredited to the other courts and he used to make general commercial reports; but if you had limited him to the commercial work that was to be done at Berlin, I do not think there would have been enough for him to do. At Paris through the very large amount of our trade with France, and through the extremely obstructive French regulations and laws, there is an immense amount of commercial work, and no doubt it fully occupies his time, but I do not think that you would find in each capital enough commercial work, there may be in some but not in each capital, enough commercial work other than consular work to take one man's whole time. Of course you can give him work, you can make him report on a great number of things, but of actual work that he must do I do not think there would be enough.

29,246. Speaking generally, are you satisfied with the relation of the Foreign Office and the diplomatic service to commercial necessities?—I have as a rule found that it is not the best commercial men who complain the most of the absence of help. There is no doubt a wide-spread discontent with the existing system. There are a great number of people who will tell you that it is very bad, and that the Foreign Office ought to do a great deal more for trade than it does; but I do not think as a rule that the best men tell you that. I think it is the men who are not so thoroughly and fully masters of the position themselves. My answer would be that I am not one of those who much believe in governments greatly pushing trade, and I doubt the success in the long run of the German experiment in trying to make their consuls actually push trade. But I attach great importance to the office helping traders where they get into trouble, where they have actual conflicts with foreign governments, and I think that the Foreign Office is increasingly anxious to make its diplomatists lend that kind of assistance to traders.

29,247. (*Mr. Lawson.*) You do not believe in our consuls touting for business as the Germans do?—I do not think it is likely to be successful in the long run. I would sooner trust it to the laws of supply and demand, and to the energy of our own people.

29,248. (*Mr. Harvey.*) Have you looked closely into our various consular reports?—Yes, I have followed the consular reports pretty closely, they are improving, I think.

29,249. Do you find that the subjects of foreign nations use them in preference to their own?—In the case of many foreign nations they have none of their own. In America the Labour Bureau of the United States, and other Bureaux, Statistical Bureaux, are now turning out most excellent reports, and are communicating information pretty freely, and I understand they have certainly pushed very far a system which might probably be extended here, but probably rather by the Board of Trade than by the Foreign Office, that of answering inquiries. If persons write to the American Statistical Bureaux, say to the labour bureau at Washington for information, their letters are answered at once. A large amount of information of the most accurate kind is freely given to them. That is an excellent thing, but I should think it is rather a Board of Trade matter, than a Foreign Office matter.

29,250. We have had it in evidence that lower division clerks might fairly be employed on subordinate work in embassies abroad. Leaving out of sight for the moment your general position with reference to lower division clerks, and assuming that they are to continue, would you be in favour of that?—With the limitations in the question—Yes, because there is at embassies a great deal of work of that non-confidential kind, which answers to the work which I explained in detail at the Foreign Office, and just as that non-confidential work might be picked out at the Foreign Office, and put into a non-confidential room manned by lower division clerks, so it might be done at embassies. You might have a chancellerie, whatever you like to call it, at each embassy, manned by one or two lower division clerks in which all the non-confidential work of this kind would be done. Of course it would only be in the case of a very large and important embassy, where there would be work for two such men, and in some of the smaller posts there might not even be regular work for one.

29,251. (*Mr. Lawson.*) Except in one or two places we have got no class in our service corresponding to the chanceliers of the French?—No, that is so. At the same time the chanceliers of foreign embassies are, I believe, thoroughly trusted as regards confidential work, so that to imitate their system you would employ people that you trusted with confidential work. Then of course there is this danger, that it is like keeping a page where there are a butler and several footmen, but the page does the whole of the work.

29,252. (*Chairman.*) I think there are one or two points which you probably would like to mention to the Commission?—I think that Lord Lingen on a former occasion has raised the question whether too much of the work of the Foreign Office does not go to the head men, and I think that he is right in thinking that a great deal too much of the work does go to the Secretary of State, the Permanent Under Secretary, the Parliamentary Under Secretary, and the two Assistant Under Secretaries. It is the system in the Foreign Office that everybody at the head of the office sees nearly everything. I think that the men at the head of the office, and especially the Secretary of State himself, are troubled with a great number of trifling matters which ought not to occupy their time. Lord Hammond and Lord Tenterden used to insist upon the Secretary of State seeing everything, and it was only by a breach of direct instructions that the work of the office could be got through at all. As a matter of fact the Secretary of State did not see everything, but Lord Hammond and Lord Tenterden always complained when they found out that he did not, and it was supposed that no paper could go forward, as it is called in the Foreign Office, unless it had the actual initial of the Secretary of State himself. Well that is a hopeless system, it causes a terrible block of work. Lord Salisbury substituted a printed stamp of his initial which could be used by a private secretary, and that of course facilitated matters a little. But still, even now I believe from what I hear, that the Secretary of State is troubled by much work which he ought not to have to see.

29,253. (*Lord Lingen.*) The two offices that I was in were both of them organised in divisions. I mean divisions between upper and lower clerks. The rule there was that the junior clerk of the upper division in each department was the first person the letters came to. If it was an acknowledgment, if it was anything perfectly simple, he would write the minute upon it,

The Right Hon. Sir C. Dilke, Bart.

6 Mar. 1890.

and that would go up to the senior in his own division. He would initial it; nobody else in the office would see that letter at all. In that way it was a sieve opening from the bottom, and certainly in neither of those offices, not one letter in a hundred went up to the Secretary of State?—That would be so. Then there is one matter of economy with regard to the Foreign Office which I ought to mention, I think. It is with regard to the printing bill. I am of impression that the printing bill is unnecessarily large. I think there is a good deal of matter printed—and a good deal of matter printed for Parliament—by the Foreign Office which is unnecessary. Foreign Office blue books are laid before Parliament in a form in which a good deal of the most important and interesting matter is very naturally and very necessarily cut out, but its place is taken by an enormous amount of utterly uninteresting matter which no creature can read, covering-despatches, letters, repeating the same thing four or five times over in different words, and an enormous amount of matter which it is quite unnecessary to circulate.

29,254. (*Chairman.*) On the other hand there might be complaints, might there not, sometimes if some letter had been accidentally omitted. I suppose the object of putting everything in has been to show that there has been no exclusion?—But there always is exclusion in the Foreign Office; there always must be.

29,255. (*Mr. Lawson.*) There is no necessity, for instance, to have a letter such as this: "My Lord,—I "have the honour to enclose, &c."?—No. Of course sometimes that happens under pressure of work. The head of the department is supposed to prepare papers for Parliament, and generally does so. He is a very hard-worked man, and naturally he saves himself time by shovelling things in. It is easier to put them in than to take the trouble to take them out, but still that does swell the printing bill.

29,256. (*Chairman.*) Have you anything to say about the hours of the Foreign Office beyond what you have said?—I think the men work as long hours as they do in most of the other departments, from what I hear. They do not work the enormously long hours that are worked by the head men at the Local Government Board, in which I was, but I believe that those hours are exceptional in the public service. I should imagine that the Foreign Office worked as long average hours as other departments. Of course the work begins late, and that is really for the convenience of the Secretaries of State. The Secretaries of State have it in their power to change the hours if they like. The hours were changed in my time, and they have been again changed since my time. Before my time the hours really began only at one—the men only came at one. I believe they nominally came sooner, but practically they only came at one. The first change was that Lord Granville ordered that one man should be present in each department so as to be able to find papers by half-past 12. Then that was made 12, and I believe that now a considerable number of men are there by 12, if not the whole staff, so that the hours have successively become a little earlier. I am not aware that they have been shortened at the other end. I do not think that the men leave earlier than they did, so that the hours seem to have lengthened since I was there.

29,257. (*Lord Lingen.*) Then there is an understanding at the Foreign Office, is there not, that a man must be there as long as he is wanted?—Certainly.

29,258. The fixed hours are a minimum only?—That is so, and the men do there, and nowhere else, so far as I know in Government offices, except so far as Sir Hugh Owen and Mr. Provis, of the Local Government Board, are concerned, stay past the sacred hour of 8 o'clock; the Turkish department, for instance, in the Foreign Office in my time was often open till 9 o'clock.

29,259. (*Chairman.*) Have you any view upon the subject of diplomatic pensions?—No, I have not given any real attention to it.

29,260. (*Mr. Lawson.*) I understand you think that the Foreign Office itself is alive to the commercial interests of the time, and gives all the information it can to departments and public bodies as well as to individual traders?—I think so. There are some very good men now, and have been lately in the commercial department of the Foreign Office, and I know that the complaints that have been made in Parliament and elsewhere have made them thoroughly alive to the necessity of doing it, and I think that they do what can be done. But I am one of those who take a humble view of what can be done. I do not think it is possible to content trade upon those subjects or to do much that is really useful.

29,261. Except by way of information I suppose?—Certainly, and by way especially of great courtesy and punctuality in answering questions and correspondence, that is the most important thing.

29,262. (*Chairman.*) I do not think I have anything else to ask you, unless there is anything you wish to add?—I do not think there is anything else that it is necessary I should enter into.

The witness withdrew.

Adjourned to to-morrow at 12 o'clock.

EIGHTY-SIXTH DAY.

7, Whitehall Place, Westminster, S.W., Friday, March 7th, 1890.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

Lord LINGEN, K.C.B.
Mr. A. S. HARVEY.
Mr. R. W. HANBURY, M.P.
Mr. H. L. W. LAWSON, M.P.
Mr. J. W. MACLURE, M.P.
Mr. H. WALPOLE, C.B., *Secretary.*

Mr. HENRY HOWARD, C.B., called and examined.

Mr. H. Howard, C.B.

7 Mar. 1890.

29,263. (*Chairman.*) The Commission have taken advantage of your being at home to ask you to come and give evidence upon the subject of the diplomatic service of the Foreign Office with which you have been so long connected. Perhaps you will be so kind as to state shortly to the Commission what has been your experience?—I entered the service in 1865.

29,264. As an attaché?—As an attaché. Then I went to Washington, and I was made a third secretary I think in 1869, when I went to the Hague.

29,265. Then you were at Lisbon, I think?—No, I was appointed to Lisbon, but I did not go there, I went to the Hague instead. I remained at the Hague until 1871, when I went out with Lord Ripon's High Commission; and after that was concluded I remained in Washington as the British Agent to the mixed Commission dealing with the British and American claims which were not settled at Geneva. I finished the Commission in 1873. Then I was sent back again to America to pay the claims, as most of the claimants

resided in the United States. In the meantime I had become second secretary, and I proceeded to the Hague. There I remained from 1875 to 1877, when I was sent back again to Washington. In 1879 I came and worked in the Eastern Department of the Foreign Office, and for a short time I was Sir Stafford Northcote's private secretary when he was Chancellor of the Exchequer; but the country turned my chief out, and I had to revert to diplomacy. I returned to America in 1881. In 1883 I was sent down to Guatemala as Acting Chargé d'Affaires, and remained there, I think, about six or eight months altogether. Then I came home, and was on leave for some time. Then I worked in the Foreign Office also for a short time (which I do not think is mentioned in the Foreign Office list), and then I was sent to Athens.

29,266. You were secretary of legation then?—Yes; I became secretary of legation, in 1885, after very nearly 20 years' service. I was named to Copenhagen in December, but there was a disagreement between Turkey and Greece at the time, and I was not allowed to leave Athens until April, I think it was, or the end of March 1886. Then in 1886 I went to Copenhagen, and there I remained until the following August 1887, when I was asked to go out to China. I went out to China, arrived in Pekin in December 1887, and I remained in Pekin until August 1889, when at the request of the Government I made a tour of inspection of all the ports of China in H.M.S. "Porpoise," a most interesting tour, and now here I am again.

29,267. It is a very varied experience that you have had?—Yes.

29,268. We have had several suggestions made to us upon which we should like to ask you your opinion. One of these suggestions is that the diplomatic service and the Foreign Office might be completely amalgamated?—That, in my own mind, I do not think is feasible.

29,269. Would you state what objections you see to it?—In the lower grades I do not think it makes much difference; and the present regulation, by which the juniors can sometimes serve abroad and sometimes in the Foreign Office, I think is good for both. It gives the Foreign Office men some experience of the countries with which they are in constant communication; and, on the other hand, it gives the diplomats who, like myself, have perhaps been 12 years in Washington, an insight into European politics again and brushes them up generally. But when you come to the higher grades I do not think it would do. Of course there have been cases where first secretaries of legation have served in the Foreign Office, but I do not think it would answer, generally speaking.

29,270. Do you think it would answer as far as regards the entry into the service?—You see that is already provided for——

29,271. Is there not now a guarantee required of so much a year from an attaché?—That, I believe, is a private regulation, which I do not know anything of officially. For myself, I do not think any man ought to serve abroad unless he has at the very minimum 400*l.* a year, including his salary.

29,272. Do you think a young man joining the Government service requires rather more money to live, say, at Vienna or Paris, than he would to live in London?—Yes, I think he does. First of all he has to provide lodgings for himself.

29,273. Take the case of a young man who has got to find his own home in London; there are such Foreign Office clerks, no doubt, whose parents do not reside in London. Would such a young man find it easier to live in London than he would on the Continent?—I think so. In the Foreign Office he has got no social duties; he goes to the Foreign Office at 11 or 12, or whatever his hour is, and when he goes away in the evening he can go home and do what he likes. In the diplomatic service as soon as he has got through his office hours at the legation his social duties begin. No diplomat is any good if he simply does his work in the chancery. He has to go into society; he has got to mix with the people, and the more he can travel in the country in which he resides the more use he would be to his own chief and to the Government. He has got a great many expenses which a Foreign Office man has not got at all. For instance, when I was in Washington I was Sir Frederick Bruce's assistant private secretary, it was my duty to make myself acquainted with every single member of the Congress — about 600 or 700 of them—and every senator; and when Sir Frederick Bruce had receptions I was obliged to be able to tell him, "This is Mr. So-and-so from Iowa, and "this is Senator So-and-so from Arkansas." It was part of my official duties to know them all, because a minister cannot possibly be expected to do it.

29,274. (*Mr. Harvey.*) How did you get to know them all?—I mixed with the people; I went to all their receptions; I went constantly to the House of Representatives, and in that way mixing with society I made it my duty to remember their names as well as I could. In the same way at Vienna and Berlin and Paris, everywhere, in fact, it is the same thing. With these constantly-changing Governments the juniors have really to do, so to speak, the attorney work; they have got to get up the case for the minister.

29,275. (*Chairman.*) But notwithstanding that I think you said just now that as far as regards the lower ranks, at all events, of the service, it was a very desirable thing that there should be a great deal of interchange?—Yes, but there is at the present moment a great deal of interchange; in many cases men have been allowed to exchange. Mr. John Lumley, for instance, exchanged with a gentleman in the Foreign Office who is now serving in our service. Again, Mr. Louis Greville has exchanged with Mr. Conyngham Greene, who is also now in our service.

29,276. Supposing the difficulty which you have mentioned of the expenses which come upon a young attaché could be got over, do you or do you not think that there would be a considerable advantage in the complete amalgamation of the services upon entry; that is to say, that the men should enter upon the same examination and sort themselves into one line or the other in the same way as is done in the French service?—Yes, but you can hardly take the French service as the basis, because in that service the higher places are nearly always now filled by political men.

29,277. I am not speaking of the political men at the top of the service, but I am speaking of what you may call the rank and file, up to secretaries of legation?—Up to secretaries of legation.

29,278. Well, up to whatever point you like; you know more of the service than I do?—It is provided for now up to secretaries of legation. I do not believe there is any law which prevents a secretary of legation serving in the Foreign Office if he will; in fact, I know of one who did, Mr. Gosselin, who was a secretary of legation and who served for some time in the eastern department; but I would include secretaries of legation.

29,279. Do you think any further use might be made by our diplomatic service of unpaid attachés?—There comes the difficulty of the expense as I said a little while ago. A diplomat abroad is no good unless he can live comfortably; and the fact is, the more money he has the better diplomat he is, because although there is no provision for wives, and we are not supposed to have wives—until we become ambassadors then they are a necessity—and the law does not recognise them, at the same time we are like other people, and we must marry. If a married man has not money of his own he cannot accept an appointment which is offered him at a moment's notice. For instance, in 1871 I was just established at the Hague, and I had taken my house and furnished it from top to bottom. I got a telegram on a Wednesday saying that I was to be in Queenstown on Sunday to go with Lord Ripon to America. I gave up my house, got rid of it and my furniture, &c. Off I went; my wife followed me later. I came back in 1875 to the Hague. I had just furnished another house from top to bottom, when I got a telegram on a Friday saying that on Sunday I was to be in London to be secretary to the Fugitive Slave Commission. Away went all of us again. Then I was only the other day in Denmark. I had been led to suppose I should remain for two or three years, and I had furnished another house, and I had just finished paying the bills when I got a letter from Lord Salisbury asking me as a favour to go to China. Away went my furniture there. At the present moment I have a furnished house in Pekin; I have got furniture for another house in Copenhagen, and I have got a furnished house here. I do not complain; on the contrary, I am only too delighted that those opportunities were offered me; but at the same time it shows that if you want to be of real service to the Government, and be able to meet their wishes in going to places suddenly when you are really wanted, you must have money of your own. It is not a money-making concern.

Mr. H. Howard, C.B.

7 Mar. 1890.

29,280. (*Mr. Hanbury.*) I take it that it is a very exceptional case to have these constant changes?—I do not know. The Foreign Office know a man who is willing to go, and who can go. Such men of course go, and are, perhaps, offered more things than others, because they are always ready to go. Sir Francis Clare Ford, our ambassador at Madrid, is one of those instances. He, like Lord Wolseley, always has his trunk packed, and he has always been ready to go anywhere he is sent from the moment he became an attaché. He is now an ambassador and has well deserved the rank.

29,281. (*Chairman.*) My question rather originally pointed to this: I do not know how far it is the practice in our service—it is done at all events to some extent in France and Germany; but I want to know whether some use might not be made of unpaid attachés—young men who receive no monetary consideration whatever, but who having money enough are willing to make themselves of use, in the service without interfering in any way with the work or with the promotion of the regular service?—Oddly enough I have never been at any post where these honorary unpaid attachés have been. I suppose you mean the honorary attachés?

29,282. Yes, I mean those?—I never happen to have been at any post where they were; but I should think it would be a very good thing. There is nothing against their employment exactly, but you have not got the same power over such a man as you have over a man in the service.

29,283. But there are times, are there not, when the work of an embassy, or mission, or legation abroad is very heavy, although as a rule when times are quiet there is not much to do?—I have been unfortunate; wherever I have been we have had lots to do. When I first went to America we only had one Sunday every fortnight given us.

29,284. You are not familiar, I think, from what you have said to us, with Paris or Berlin; at all events I do not think you have had much experience at those cities?—No, I have never been at an embassy.

29,285. Then you would not have an opinion to express whether to some extent the staff of those embassies might be reduced?—I do not think they could be reduced; not in Paris, certainly, because so much goes through Paris.

29,286. I suppose you have been brought much in contact with our consuls abroad?—A particular class of consuls, I mean the Chinese consuls, I know a good deal about, but they are of course a separate service; the Chinese service is a close service.

29,287. We know that that service is only of recent establishment; from what you have seen of it, is it satisfactory?—It is very satisfactory. Of course there is some amendment required. I have just had to report upon it, and I think there are certain amendments which might be made so as to accelerate promotion, which is very slow for the junior members.

29,288. Was the tour which you told us you made by the direction of the Government partly with the view of looking over the consular service?—Yes, the whole consular China service.

29,289. And have you made a report upon that subject to the Foreign Office?—I have sent my report to Pekin to Sir John Walsham for his comments, and he will forward it to the Government.

29,290. I believe you have also had experience of consuls in America and in the other parts where you have been?—Yes.

29,291. What have you to say upon suggestions that have been made for amalgamating, at all events to a much greater extent, the consular and diplomatic services?—I do not think it will do.

29,292. Are you familiar with the practice of France in that respect?—I do not think it even answers in France.

29,293. What are the objections that occur to you in the case of France; how is it that the practice does not answer there?—The men are taken from such very different classes; one man is all right and another man is not.

29,294. Do you mean that you think that in diplomacy you want a different kind of man from the man in the consular service?—Yes, I think you do. Then, besides, these consuls in the French service who sometimes, I believe, become diplomats, are mostly men who have been made consuls straight off—I mean they have had no training up. Their training is so different. For instance, take the consular service. As a rule, a man is made a consul, and he goes to the Foreign Office, and he works a year or a certain number of months and learns his consular duties. Then he goes to Livorno, or somewhere or another, and becomes a consul. He has not had the same diplomatic training that we all have; he has not been copying for 10, 12, or 15 years; he has not been ciphering for all that time; he has not learnt the legends and the traditions of the service.

29,295. Would you be in favour of some system whereby young men entering the service could enter on the same examination or on a similar examination, and could go through work at the Foreign Office in the Commercial Department or otherwise, and then could drift into the consular service or into the diplomatic service, as the case might be?—You see he cannot drift very much; he can only drift into a vice-consulate, which generally will not keep him, or a consulate which may keep him; but he will be too young for that. There are no lower grades in the consular service; there is simply the vice-consul and the consul. Of course, if you take the China service, that is a totally different thing. He has to begin by being student interpreter to learn the Chinese language, which takes him three or four years before he can say a word almost.

29,296. If a young man enters the diplomatic service, or if there is a service, which for the purpose of argument, I suppose, is open, offering a career in other directions, and if he has been attached to some embassy or legation for some years, and has been paying particular attention to the commercial side of the question, is there any reason why he should not have the opportunity of promotion to a consulate as a recognised part of his career?—No; but I think he has the opportunity now. The Secretary of State can appoint him to any consulate he choses at the present moment.

29,297. Is that so as a matter of fact; are there frequent instances of that being regarded as a legitimate object of the career of a young man entering the service?—You see it is a different thing; as a rule in the consular service a man wants a salary to live upon. We, as a rule, do not. I, at all events, did not go into the diplomatic service to make it a trade and to live on my salary.

29,298. You would not have elected the consular service?—No, I certainly should not.

29,299. In the plan which has been suggested to us, and which I have just asked you about, there is no proposition that anybody should be compelled to take the consular service?—Then it remains as it is now. If a man wants a consulate, if he is of sufficient age or rank, I do not believe that Lord Salisbury or any other Secretary of State would not give him such a post.

29,300. Do you mean that practically it is now open?—Practically it is now open to diplomats to become consuls.

29,301. (*Mr. Hanbury.*) But then I suppose having taken a consulate he thinks he will be shelved?—Yes, he is shelved.

29,302. (*Chairman.*) That leads me to mention what I believe would be a consequence if this system were introduced, namely, that men could be brought back again from the consular service?—There are one or two cases where it has been done; for instance, at Sofia the Consul-General is an agent also. There are one or two of those cases where the man is not actually shelved; he comes back.

29,303. Sir William White is an instance, is he not?—He is shelved so far as the consular service is concerned. I mean he has got as high as he can. He never went back to the consular service. He went from Dantzic to, I do not where, and then to Belgrade, then to Bucharest, and then to Constantinople. He was always rising from the consular service into the higher grades of the diplomatic service. He has got what we call one of the "plums."

29,304. (*Mr. Harvey.*) Your point is that a man who wished could go from the consular to the diplomatic service, but not the other way. Is that so?—Yes. Of course all consuls would like to become ministers.

29,305. (*Mr. Hanbury.*) In China are the consular and diplomatic services in any way amalgamated?—No; they are perfectly separate.

29,306. Then a consul in China, even after the training and selection he has gone through, will not in the ordinary course expect to become an ambassador in the East?—The end of his service is Consul-General at Shanghai, that is the highest post. Sometimes of course they are made ministers in China, like Sir Rutherford Alcock, who was made a minister in China, and Sir Harry Parkes. Then there is Sir Thomas Wade, who went in, I think, as diplomatic secretary.

29,307. (*Mr. Lawson.*) At the same time, of course, the consuls in China and Japan, certainly in China, as well as in Turkey and the Levant, are diplomatic officers?—They are political officers.

29,308. They are political officers at least as well as consular officers?—Certainly, and they are judges. It is a different career entirely from the other consular services.

29,309. I am not saying it is not, but there would be a certain interchange between the functions of the two services?—No; it is simply that the consul, on account of the British jurisdiction in the ports, is a judicial officer and a political officer, as well as a consular officer.

29,310. Quite so; in Turkey, and it is the same thing in China, a man might even have to manage, in a particular far-away town, what would be termed a diplomatic question of some kind?—Yes, certainly; that is where his political character comes in; there is no doubt about that.

29,311. (*Mr. Hanbury.*) But in spite of that there is a broad line drawn, even in the East, between the two services?—Oh, yes. The diplomatic establishment consists of a minister, a first secretary, and one second secretary, and sometimes two. They, of course, do not know Chinese, and they come from other places, whereas all the men in the China consular service must know Chinese or else they are no good at all.

29,312. (*Mr. Lawson.*) It is not an advantage for them, I suppose, not to know Chinese?—I think it is almost. Of course they must know a certain amount of Chinese, and you can always pick up a certain amount of Chinese, but I do not think it is any advantage to the minister to know Chinese.

29,313. Nor to his secretary?—His Chinese secretary, of course, is the interpreter.

29,314. I mean the secretary of legation?—I do not think he would find it of much advantage. He has got nothing to do with Chinese. He remains too short a time; he generally remains only two years. Well, you cannot get the slightest knowledge of Chinese under two years.

29,315. (*Mr. Hanbury.*) Does not that go to show that he is useless rather?—Not at all.

29,316. If he remains there so short a time?—He takes the place of the minister in the absence of the latter.

29,317. But we are talking of the minister?—I was talking of the secretary of legation.

29,318. (*Mr. Lawson.*) You could not expect him to know Chinese, but do not you think it would be an advantage that he should know Chinese?—If the secretary of legation knew a little Chinese I do not know that it would be of much help to him, and I do not believe it would help the Government much. It might help him a little, but as to the minister I am not at all sure that it is not better that he does not know Chinese. For instance, at the Tsungli-Yamen, which is the Chinese Foreign Office, you sit all round a round table. There are five mandarins on one side, then comes the minister, his secretary, and our interpreters. If the minister knows Chinese the mandarins address themselves straight to the minister, and he has not time to think what he is going to answer; whereas if they address their remarks to the Chinese secretary he interprets, and whilst he is interpreting the minister has time for reflection. I have been told by ministers who did know Chinese that it was a disadvantage to know that language, because the Chinese officials addressed them direct, and they all talked at once, and they had no time to think what to answer.

29,319. (*Mr. Hanbury.*) But as a matter of fact if the members of the diplomatic establishment do not know the language of the country the consul does, and yet the highest posts are reserved for the people who do not know the language of the country?—The diplomatic men are changed about so much.

29,320. I know, but as a fact they do not know the language of the country?—They do not know the language; but they do not know it in Persia, they do not know it in Turkey, and there are precious few who know it in Holland.

29,321. Do you think it is an advantage that they do not?—I do not say it is; but they are generally there so short a time. You cannot keep a man for ever at the Hague or for ever in Copenhagen.

29,322. (*Lord Lingen.*) The Governor General of India does not know Hindustani, I suppose?—I do not suppose he knows Hindustani; he could not.

29,323. (*Mr. Lawson.*) Lord Dufferin learned it, I think?—Yes; and poor Mr. Grosvenor learned Chinese when he was there, but he was there four or five years, I believe.

29,324. At times of stress in China, when there have been difficulties in that country, a man has been promoted to be minister from the consular service, has he not?—In only two instances—those of Sir Rutherford Alcock and Sir Harry Parkes.

29,325. In times of difficulty?—No, I think it was simply because they knew a great deal about the country, and their services have been very good, especially in the case of Sir Harry Parkes.

29,326. (*Chairman.*) Are you able to say from your knowledge of the consular service that it is a satisfactory service?—The consular service in China, which is the one that I can speak of, is very satisfactory.

29,327. Would you say the same of the consular service, so far as you have known it, in other parts of the world?—So far as I have known it, it has always been very satisfactory. In America we had very able consuls; we had no more able man than Sir Edward Archibald, you will remember, in New York.

29,328. (*Lord Lingen.*) That is a very well paid post, is it not?—Yes; but then the consul at New York has very great liabilities and responsibilities. Every Englishman who can take a holiday and has money enough goes to America. Well, the Consul General at New York has to be civil to all; in many cases they bring letters of introduction, some official, and others friendly. The Consul General's salary is not too much if he has to entertain all those people. Then the rent at New York for his house is very high.

29,329. (*Mr. Harvey.*) Is it supposed to be a part of his duty to entertain?—I think so. We all consider, both in the Consular and Diplomatic service, that our salaries are more or less given to us to live upon if we can, and to entertain our compatriots when they come there. In fact in China the legation at Pekin is the English hotel there. There is no other hotel really. There is one wretched little hotel kept by a Frenchman in which there are four rooms to let, and if those rooms are taken the Minister has to put up everybody, in fact we do, either the Minister or the First Secretary, put up everybody who comes to Pekin.

29,330. At the expense of the Minister?—Yes; or that of his staff.

29,331. (*Mr. Hanbury.*) Is that done by the other embassies?—Everybody else does it. We do it more because there are more English globe-trotters than of any other nation.

29,332. Except the Americans. Do the Americans do it?—There are not very many Americans who go to China.

29,333. (*Chairman.*) What do you say about the mission at Washington? A suggestion has been made to us that more importance ought to be given to Washington, and that England should be represented by an ambassador instead of an envoy extraordinary?—I think the Americans would like to have it an embassy. Washington to us is one of the most important posts in the world, there is no doubt about that. I think it would please the Americans if it was made into an embassy. They would like to reciprocate, but have never seen their way to do it.

29,334. Could it be made an embassy without reciprocating it on the other side?—There is a case in point. The French have an ambassador at Berne and have had for many years, I believe, but I do not think the Swiss have anything more than a Minister resident in Paris.

29,335. (*Mr. Harvey.*) What is the practical difference now in working between the two ranks?—In olden days the ambassador had and has still a right

Mr. H. Howard, C.B.

7 Mar. 1890.

to direct audience with the sovereign. In Washington, of course, he can go to see the President when he likes, whether he is ambassador, or envoy extraordinary, or anything else, but the President could not tell him much if he did go to see him; therefore in that way it would not make the slightest difference.

29,336. Would it make any difference to anybody except in the dignity?—I think the Americans would take it as an expression of good feeling; but practically in the actual working of the thing I do not see that it makes any difference.

29,337. (*Mr. Hanbury.*) Does not it limit our choice. Would a man who is ambassador at Berlin agree to go to Washington under present circumstances?—I think the question of pay would have to be considered, in addition to the question whether he would like to go or not.

29,338. Assuming the pay was equal?—No, I should not think so.

29,339 I mean as a question of dignity, would he care, having been an ambassador once, to come down to being an envoy-extraordinary?—No, once an ambassador he would never come down; but do you mean if Washington were made an embassy.

29,340. I mean, under the present circumstances, does not the fact that you have only an envoy-extraordinary at Washington, rather limit your choice?—Certainly, it does.

29,341. (*Chairman.*) Is there any point on which you would like to suggest anything to the Commission?—There is the question of pension. I always thought that was a difficulty. I am perfectly unbiassed, because I do not want to retire in the slightest; but there is always a question with me, as to the First Secretary's pension. If you look at the Act you will see that it provides for all the different ministers, and it provides also for the Second and Third Secretaries; but it says nothing about the First Secretaries. Heretofore, it has always been the rule, that when a First Secretary wants to retire and ought to retire, for some reason or another he was allowed to retire and given the salary that he was drawing at the time. Lately, however, the Treasury have made some difficulty about it, and the consequence is that there are many First Secretaries who would like to retire but who cannot.

29,342. (*Mr. Lawson.*) On their salaries?—The Treasury do not want to give the whole salaries, and they cannot afford to retire without any pension at all. The end of it is that they do not retire.

29,343. (*Mr. Hanbury.*) Retire at what age?—We have secretaries who have over 30 years' service.

29,344. (*Chairman.*) Why is a First Secretary not entitled to a pension; the other secretaries being entitled to a pension of the fourth class?—I do not know; the Act does not say anything about it. The custom has been ever since I have been in the service, that when a First Secretary is retired, he is given the salary of the post he last occupied. I do not say in some cases that may not be too much,—I think it is—but if there was some fixed sum on which he could retire after a certain period of service, I think it would be much more satisfactory.

29,345. (*Mr. Hanbury.*) You say a pension is provided for the Second and Third Secretaries, but not for the First?—The Act provides for all the Ministers; the Second and Third Secretaries, who can be pensioned if they are invalided; but it does not say anything about the First Secretary. I tell you what the practice has been.

29,346. (*Mr. Lawson.*) Very often he has taken the position of a Chargé d'Affaires. Does he take the rank of Chargé d'Affaires?—No, he is not a Chargé d'Affaires; he is an acting Chargé d'Affaires.

29,347. The Second Secretary, supposing he has served 30 years, receives the salary upon which he retires as pension—is that not so?—He receives one-thirtieth for each year.

29,348. Therefore, he receives the salary?—Yes, therefore I think there ought to be a time specified when a man has a right to take his pension like there is in the India Office, and in the Indian service, and in other services. At present we cannot retire until after we are 60. Well, a First Secretary of 60 is the laughing stock of Europe.

29,349. Other Civil servants have to remain till they are 60?—They remain in England, and they do not live in different climates, as we do. We really ought to be put under the unhealthy climate system, under which two years abroad counts for three. I was moved myself from Guatemala, for instance, to Washington. When I left Guatemala, for the last eight months I had been there, it was about 90 degrees constantly in the shade. I suddenly ran back to Washington, where it was below zero. Then take a man who is at Buenos Ayres; he is moved to St. Petersburg, and again from St. Petersburg he may be sent to Pekin.

29,350. (*Chairman.*) Is not the scale which is in the Diplomatic Pensions Act a much more liberal scale of pensions than exists in the Civil Service generally?—I do not think so. I think in some other services—the Indian service—they have just as high pensions, if not higher.

29,351. (*Mr. Hanbury.*) They come under what would be called the unhealthy climate?—Yes, but what is not unhealthy in one way, for one person, may be unhealthy for another. Although, St. Petersburg, to a person who remains there, may not be very unhealthy—it is not accounted as unhealthy—yet for the wretched man who goes from Pekin to St. Petersburg, St. Petersburg would probably be very unhealthy. It is the constant change of climate which is so trying. In olden days of course people remained very much more at one place, now we are sent from every sort of place to every other sort of place.

29,352. (*Mr. Lawson.*) I do not know whether the First Secretary is not mentioned in the Act?—Of course the Secretary of State has got a right—it comes under that—to give a man a pension. In olden days, when I entered the service, when we became noodles, we were allowed to retire and given our salaries. Now there is a difficulty about it.

29,353. (*Chairman.*) Have you any other suggestions to make to the Commission?—None.

29,354. (*Lord Lingen.*) You have had experience of work both in the Foreign Office itself and abroad?—Yes.

29,355. Do you find much difference in the routine of dealing with papers in the Foreign Office, and in the missions abroad, where you have had to work upon them?—No, I do not think so; it is very much the same.

29,356. In both, do you think anything could be done to relieve those who, to a certain extent, are in responsible positions, and who look to come into responsible positions from the routine work—for instance, from the great amount of copying that has to be done by young Foreign Office servants and diplomatic servants?—I do not see how it is possible certainly in our Legations, because, of course, when we enter the service we are bound especially to secrecy, although we take no oath about it. It has got to be done by the men, you cannot give it to outsiders to do, that I can see. Nearly every paper abroad, with the very few exceptions of commercial reports, has more or less of secrecy attached to it—not that the secrets are worth anything; but yet it does not do for them to be talked about outside.

29,357. Then you would not regard favourably the introduction of a different order of clerks to do the minuting of such papers as were not confidential?—Yes, that I think would do very well in the Foreign Office.

29,358. Would the same thing hold abroad?—I do not think so. I think the man's place would be invidious; he would belong to us and yet he would not belong to us; and therefore I do not think it would do abroad.

29,359. Then if you would not alter the persons who do the copying, would your experience lead you to say that a good deal less copying than now takes place is necessary at the foreign stations. Are not a number of documents copied that are sent to the Foreign Office, of which the substance might perfectly well be given in a despatch in a line or two, and the originals kept if anybody wanted to refer to them. Do not you think there is a large copying of enclosures that might be dispensed with?—Yes. It is difficult to give an opinion upon that subject because so many of these copies that are sent are notes, &c. that we have received from foreign Governments which must be referred to. Of course it depends upon the distance, if it were at Paris it would be very easy to get a note at once, but if it were at any more distant post, the note, if it is wanted at all, would be wanted at a

moment's notice, and then you would not be able to get it.

29,360. If you received an important written communication of the substance of some interview, or something of that kind, from a foreign minister in the Ambassador's Chancery at one of the great capitals, would that be sent as an original paper, or as a copy?—As a copy.

29,361. And the original would be kept in the Chancery?—Yes.

29,362. And it would remain there just as papers do in the library of the Foreign Office for successive Ministers to see?—Yes, exactly. The note is generally described in the despatch, and if there is any important wording, it is generally given in the despatch itself so as to relieve the Secretary of State who receives the despatch from the bother of reading the whole of the other document.

29,363. I know in your own case, a good many years ago, you were employed on important and responsible work like the distribution of the Alabama compensations, and so on. A good many of your contemporaries are not employed upon work of that kind. Do you think that the enormous amount of copying they have to do, which is purely mechanical work, has a bad effect upon them?—I do not think so, I think it is good discipline. Besides, in copying they see what other people write, they see different styles, and so it helps them to write despatches and other papers.

29,364. I can fully understand that for two or three, or even three or four years, that would give a man an insight into the practice of his profession; but if it is continued through long years, as it is now with a junior clerk in the foreign service, do you think that has not a prejudicial effect upon a man?—I think it depends upon the man's constitution. Some men can stand it, and others cannot. It is a dreadful bore, there is no doubt about that. I do not see how we are going to change it except in the commercial part of the Foreign Office. I do not believe in giving irresponsible people papers for which others are responsible.

29,365. On the whole, then, you would be inclined to say that the clerical arrangements are not unsatisfactory?—As far as I know they are not unsatisfactory.

29,366. There was one point in your evidence about unhealthy places to which I wish to refer. There is a certain number of places which are scheduled at which two years' service counts for three. I suppose if you remain in the course of your career at Pekin, we will say for five or six years, during those years you would have the benefit of that, would not you?—No, that does not apply to the Diplomatic Service at all.

29,367. Is it confined only to the Consular Service?—It is confined only to the Consular Service. I might remain at Pekin all my life and get no compensation for it.

29,368. (*Chairman.*) On the other hand, I think it is the case, is it not, that the scale of pensions under the Diplomatic Act is much higher than that for the Consular Service?—I do not think so.

29,369. The members of the Consular Service come under the usual Civil Service pensions scale?—I think they are higher when you come to the unhealthy places, and we are all the time in unhealthy places.

29,370. But the *quid pro quo* for your unhealthy service is the exceptional scale of pensions enjoyed in the Diplomatic Service as compared with the scale in the ordinary Superannuation Act?—If that is intended as *quid pro quo* it is all right.

29,371. (*Lord Lingen.*) You mentioned that you thought that a part of the training of a young attaché is to keep his eyes and ears open?—Certainly.

29,372. And mixing with the natives as far as he can, and finding what the atmosphere of public affairs is?—Yes.

29,373. For that, of course, a tolerably accurate knowledge of language is wanted?—Yes.

29,374. As far as your experience goes, are the English embassies on an equality, we will say, with the German in knowledge of languages?—I believe so, quite.

29,375. Quite?—I think our young men, particularly at the present day, are quite equal to any foreign service; they are better than the French, and perhaps the only exception I should make would be the Russians; but they are natural linguists. Of course all the men in our service must know French and German, and most of them know these languages very well. There are any quantity of others who know more; there are many who know Spanish, and Dutch, a bit of Danish, Russian, and Turkish, and a good many other languages; it depends where they have been.

29,376. I suppose a young man who looked for promotion who was suddenly whipped away from Vienna to South America, would make it his business, if he did not know it already, to learn Spanish?—Certainly; I went from Washington to Guatemala, and in three months I could talk Spanish sufficiently. Of course I have forgotten it again; it went in and came out again; but in three months' time I could ask for anything and say anything I wanted, and talk with anybody.

29,377. Would your experience be that that is the case with such of your contemporaries who really look to get up in the service?—Yes, some of them are excellent linguists. For instance, George Greville, who is now in China, is one of the best linguists I know. He talks French like a Frenchman, he knows all the Latin languages, a good deal of Greek and Swedish, and now he is learning Chinese.

29,378. China would be quite an exceptional place, would not it, Chinese being of very little use to you when you are outside China?—Yes, it is quite exceptional.

29,379. You want a completely separate service for that in the consular branch?—Yes.

29,380. And if you want to secure the same advantage for the Diplomatic Service, you would require a separate Chinese Diplomatic Service?—Yes, of course it would be impossible otherwise; but there is another consideration. Although we have had two ministers who have risen from the Consular Service in China, my own impression is that a diplomatic minister who has not been to China before makes a better minister. He has got no record in China. The Chinese do not forget a thing. If there is a man who has committed an act displeasing to the Chinese 25 or 30 years ago, when he was a consular assistant, they remember that, and when he becomes a minister they say, "Oh, that " is the man who did this, that is the man who did " that"; whereas if they have a totally new man whom they have never heard of before and who has no record with them, he is very much more apt to do well.

29,381. Some of the highest Chinese officials in China, I suppose, know English now, do not they?—The only one who knows English at all is the Marquis Tsêng. He talks English pretty fairly, and he is on the Grand Council, but he is the only one on the Grand Council who talks English; the others all talk Mandarin.

29,382. When you have to deal with other ministers in China what sort of man interprets, one of our own Consular Service?—Yes. The Chinese Secretary ranks with a consul. He is first interpreter, and the Assistant Chinese Secretary ranks with a vice-consul; they are the interpreters for the Legation. It is the same only with difference of name in every other Legation in Pekin. In the German they are called Dolmetschers, and in the Russian, Dragomans and interprêtes.

29,383. (*Mr. Harvey.*) Are they specially appointed now?—They all come as students to Pekin and then they become consular assistants, then vice-consuls, consuls, &c. Every nation has followed our example.

29,384. (*Mr. Hanbury.*) Do they keep the same barrier between the Diplomatic and the Consular Services?—Yes, except the French; the French did until a very short time ago. At the present moment both the French Minister and the French First Secretary were originally consuls; but it is the first time it has ever happened. Of the others, M. Constant, you know, was the last minister; his was, of course, a political appointment. M. Bourée, who was before him, is now in Berlin, and M. Bourbalon and all the other men were diplomats. It is a mere accident this time that M. Lemaire was appointed minister.

29,385. (*Lord Lingen.*) Have you found the consuls or the interpreters so well up in the language that they were thoroughly able to inform the minister in the interviews that he has with the higher Chinese officials?—The Chinese Secretary, who is the First Interpreter and the Assistant Chinese Secretary, are always chosen from the whole service more or less; at any rate,

Mr. H. Howard, C.B.

7 Mar. 1890.

from the senior members of the service on account of their proficiency. Of course, one man is more proficient than another. One man can read Chinese and is a better classical scholar perhaps than another one, but the other one may be a better speaker, and therefore you have to choose your man. For instance, Mr. Hillier who, unfortunately, on account of his eye-sight weakening, has been now made Acting Consul-General at Söul, is about the best Chinese speaker that has been in China.

29,386. The point I want to get at is that you find them competent and satisfactory for all diplomatic purposes?—Perfectly. Mr. Hillier was put to a great test the other day when I was there. It was at a banquet given to the Diplomatic Service by the ex-empress on her abdication. Herr Von Brandt the German minister prepared a long speech which he gave to Mr. Hillier the evening before, and Mr. Hillier got up at this banquet and read off the whole speech in Chinese. Then Prince Ching, who was the president of the Foreign Office and a cousin of the Emperor, got up and answered in a long speech in Chinese, and all Mr. Hillier could do whilst Prince Ching was speaking was to make notes. The moment Prince Ching sat down he got up and interpreted this speech in the most excellent English, and the Marquis Tsêng who happened to be there said he had never met any other Englishman or any other foreigner able to do it so quickly with such a long speech and so well rendered in English.

29,387. Then, on the whole one, may take it that in China between the consuls and the ministers' staff there is for all diplomatic purposes a sufficient knowledge of Chinese provided?—Ample.

29,388. With regard to anything like social intercourse with the higher Chinese, I suppose there is hardly a field for it; or no opening at all?—No.

29,389. In that respect the service would not at all compare with the European services?—No, you never see a Chinese at home. Sometimes some of the Mandarins call as a matter of courtesy, but we never go to any Chinese house; we are never invited into a Chinese house. We have never been inside the precincts of the forbidden city, and when the Emperor goes anywhere screens are put about so that we should not see him; and we are forbidden to go into any part of the city which he is to pass through.

29,390. There is another point I should like to ask your opinion and experience about. We have had it a good deal pressed upon us. Our Diplomatic Service is much more expensive than that of other European countries, do the young gentlemen that you have come in contact with who belong to other embassies, lead much the same lives as Englishmen in foreign capitals?—Yes, but they are not able to do always as much as we do. After 20 years' service I got 500*l.* a year. I was four years in the service not paid at all; then for another three years I got 150*l.* a year, and when once during the time I was receiving 150*l.* a year I came home with my family, my whole salary went in travelling expenses between Washington and New York, with the exception of 20*l.*, in fact I spent the whole salary of my year in ten days.

29,391. If you were to take a young Hungarian, German, Austrian, or young Prussian gentleman, many of those would be the sons of wealthy families and houses?—Yes, a great many of them.

29,392. Do men of that class live very much in the same style as others do?—Yes, I think they do; but as a rule as you say a great many of them have some fortune of their own. That is what I advocate in our service—I think a man ought to have some fortune of his own in the Diplomatic Service.

29,393. Have you at all compared what their salaries are with our salaries?—I think in the junior classes they are very much the same as ours. I think the First Secretary of Pekin gets very much the same as I do, they all get very much the same. They very often have houses and lodging money.

29,394. I gather from your evidence that your own opinion would be, that, taking all things into account, there is no room for reduction in the public expenditure on the British Diplomatic Service?—I do not think so. I do not think that the men can really live upon much less. They cannot live upon what they get, and at all events it should not be reduced.

29,395. Would that be generally true of the British Minister himself. As a rule, do you think that when he quits one of these posts he is out of pocket?—I do not believe there is any case in which he has made any money; and I know several cases where he has been heavily in debt. Then foreign ministers get money in other ways. They have not only salaries, but the *Frais de representations;* that is all right and the total is sometimes less than ours; but in nearly all those services, if they have to give balls, or suppers, or tableaux vivants or anything of the kind where the Court to which they are accredited are present, they get paid for that particular supper, that particular dinner, that particular ball.

29,396. And, of course, that does not come out; that is, so to speak, secret service, which is not shown in the estimates?—That is so.

29,397. (*Chairman.*) Is that done to any considerable extent?—It is done a great deal, particularly in the Russian service, and also in the French; it used to be done still more in the days of the French Empire; but since the Republic they have been a little more economical.

29,398. Let us take an instance. Suppose that the Russian Minister gave an entertainment in London which was something of an official nature?—Yes, I suspect he would be paid.

29,399. You mean to say it would be quite possible that the extra expense incurred by that, would be paid by his Government?—Yes.

29,400. Of course, one cannot get any information on that point, it is impossible to get any information?—It is impossible, and it would not be courteous to try to get it, but there is no doubt about it.

29,401. (*Mr. Hanbury.*) When you spoke of the young attachés of considerable means who are sent out by the Austrian or German Governments, were you thinking of paid attachés or unpaid?—I was thinking of men in the service.

29,402. We have heard that the Austrians and the Germans have a great many more unpaid attachés than we have?—Yes, I think they have.

29,403. Are the class of men that you were speaking of paid or unpaid?—The men I have met, of whom I was talking really, were the paid ones. I was thinking of a man I knew at Copenhagen. The Germans have a different system. For instance, a man is a secretary; he is not a Third Secretary, a Second Secretary, or a First Secretary, but he is Secretary of Legation; and suppose he goes to a legation where there are two secretaries, the one that is senior to him in the service is First Secretary, and he becomes Second Secretary, but he is Second Secretary of that Legation. He is not a Second Secretary in the service. So they have a different system to ours. We have of course three classes—third, second, and first.

29,404. One reason that you have given is, that some of the expenses are probably paid out of the Secret Service Fund; is there any other reason why the whole scale of our salaries paid to our Diplomatic Establishments should be higher than those of any other nation?—I think so. I think first of all we have a great deal more commerce, and in fact we have got a great deal more to look after. Then we have a much greater travelling population, and a great many more British subjects settle in all those places than any other nation.

29,405. Why should that involve greater expense and larger salaries to the ambassadors?—It involves much greater expense in entertainment, and in every possible way.

29,406. Take the question of entertainment, does it involve entertaining British subjects more than the subjects of other nations are entertained by their ambassadors?—Yes. What Frenchman travels, what Austrian travels, how many Germans travel? Whereas our men are travelling all the time in every country of Europe. Look at the colony of English in Paris; look at all the people that go through Berlin; look at the people at St. Petersburg; everywhere it is the same.

29,407. That is what I want to know; is that the main argument for those higher salaries?—I do not say it is the main argument; I only say it is an argument, that they have to spend more than others. Besides, I do not think that the Russian salaries are any smaller than ours.

29,408–9. I am comparing embassy for embassy; take the embassy at Paris, for instance?—I did not under-

stand you were talking simply of embassies. I thought you meant the total expense.

29,410. I am putting out of view the Consular Service?—If you add to the ambassador's salaries all the special entertainments that they give, as the Russians do, then you will find that the Russian salaries are not very much less than ours.

29,411. Then it comes back to what I said; that the main reason for these ambassadors salaries is entertainment?—Well, yes; an ambassador ought to entertain; he is no good unless he does entertain.

29,412. Is there any other reason?—Well, he has got to live like a gentleman.

29,413. So have other ambassadors?—So they have; but I do not think the other ambassadors are paid very much less.

29,414. Take Paris, for instance, is not it the fact that the salary of our ambassador alone in Paris is almost equal to the total cost of any of the other embassies?—I think the salary of the Russian Ambassador in London is higher.

29,415. I said take Paris?—Paris for us is the important place, for Russia it is London. You will find the Russian Ambassador in London, which is their highest post, is paid more.

29,416. Why is Paris our most important post?—First of all the French are our neighbours, and then for years and years it has been an important post.

29,417. We know that the centre of Europe has practically changed. Is there any special reason why Paris should be treated on the same scale that it has always been?—I do not see any reason for a change, but as a matter of fact it was reduced by 1,000*l.* the other day.

29,418. (*Mr. Lawson.*) You were saying that a great part of the duties of a secretary of legation, or an ambassador, is to make himself acquainted with the people and to go among them. In a country like China, that would be impossible, perhaps in any case; certainly without a knowledge of the language?— I am putting China, Japan, and Persia aside.

29,419. I will take another country. Take Russia, in travelling through Russia I should say you could obtain no information outside the official classes without a knowledge of the language?—No. But I do not quite mean travelling in the country, I mean travelling about in the different societies you are obliged to meet.

29,420. But when you get outside of St. Petersburg, is not a knowledge of Russian absolutely necessary if diplomatists are to fulfil their functions?—They nearly all do learn Russian, and there is a reward if they do of 100*l.* a year.

29,421. Does not it come to this—that it would be a positive advantage in some embassies where there was a good deal of this social work to be done, if you had men who had a previous acquaintance of the language, which was something more than elementary, sufficient to pass an examination in order to obtain 100*l.* a year?—You mean a colloquial knowledge of the language?

29,422. Yes. I know what it is in Arabic, and I do not suppose the examination in Russian is much more severe?—It would be very difficult to obtain what you suggest. You cannot have such a service, or else you would have one man spending all his time in Russia.

29,423. Would not you get that by occasional transfers from the Consular Service of men who had been resident in the country, and who might be of great assistance to their colleagues in the embassies or legations, as the case may be?—I do not think that consuls, as a rule, have the training for such social duties.

29,424. The social duties are not the only ones?—You were talking of them.

29,425. Quite so; but by social I meant more than merely going to the salons and in society; I meant going about and hearing what the man in the street says, which is occasionally useful, I suppose?—I do not think that sort of thing is of much good. If we were prying about and going among people like that I do not think we would get on very well as diplomatists.

29,426. It has been stated to us here by an official witness that politics are becoming more and more separated from what is called society in different capitals; do you mean merely the social work of going to parties?—I mean going into all classes of society. In Russia you will not find any man belonging to any kind of society who does not speak French or English, and there is no English diplomat who does not speak French or German.

29,427. You will not find anybody below the official class who speaks any other language than Russian will you?—Yes, every army man is obliged to know French.

29,428. I say the official class?—The first thing the Russians, in every class, do is to have English governesses for their children.

29,429. Of course, in China there is no language spoken, as you say, but the native language?—Yes; but then, of course, you know in travelling in China the Mandarin does not help you all over the place, because a Pekinese does not understand a word that a Canton man says.

29,430. Then how do you manage with your student interpreter?—They know Mandarin, which all the official classes in China, the men they have to deal with, are obliged to know. The taotais and the governors, and the viceroys all speak Mandarin, and any man holding an official position in China is obliged to know Mandarin. With the people of the country it is different, they speak all sorts of dialects. A great many of our consuls know half a dozen dialects, Cantonese and Formosan and Pekinese; they are all different.

29,431. I was not under rating the difficulties, I was thinking it might be useful in certain cases to have men possessed of this knowledge at your own embassy or legation?—We have; we have got a whole staff of them.

29,432. But they are apart from you, and there is an absolute barrier between you?—No.

29,433. There is an absolute barrier of class; they cannot pass from their own service into yours; at least, they cannot in practice?—They went into the China service, knowing exactly what it was, and we went into our service also, knowing what we were going to do, and for our particular purpose. Why should they come over into ours or we bother them?

29,434. (*Lord Lingen.*) As a matter of fact, I think I understood you that two ministers had been appointed from the consular service?—Yes; really two. I want to be absolutely correct. Sir Thomas Wade was appointed from the army as Chinese and diplomatic secretary, and he became as you know, minister. Sir Rutherford Alcock was appointed from the consular service, and became minister, and Sir Harry Parkes also; so it may be said that there were three.

29,435. (*Mr. Lawson.*) I think you rightly pointed out at the beginning of your evidence, that these occasional promotions do not mean interchange?—No.

29,436. Because they have never been promoted to junior posts?—No.

29,437. And have they never gone back?—No.

29,438. There is no interchange at present between the services?—No; ours is a close service, and theirs is a close service.

29,439. And the exceptions cannot be taken into account?—No.

29,440. You are against anything like an interchange between the two services?—Yes; I am against any interchange.

29,441. You are telling us about the tour you made around the consular establishments; do you believe it is an advantage that the China and Japan branch at the Foreign Office should be distinct from the rest of the consular branch?—No man is any good who does not know Chinese or Japanese in those services.

29,442. I do not mean that; in the Foreign Office itself, the consular service is not dealt with by the department which deals with the consular service of the rest of the world?—It is separate, for the very reason that you pointed out, that the consuls in China are in many cases political officers as well as consuls.

29,443. So they are in Turkey and the Levant?—Yes.

29,444. You do not believe it would be an advantage if the China service was transferred to the consular department of the Foreign Office?—I do not think so; it has worked so well as it is, and I think it is better to leave well alone.

Mr. H. Howard, C.B.

7 Mar. 1890.

29,445. At present it is in the American department, is not it?—It is called the American; but the American department includes China, Japan, Siam, the United States, and South America too, I think.

29,446. So far as your inquiries went, you did not perceive that there was any friction caused by the present arrangement?—No; as I told you, they went into the service, and they knew exactly what it was.

29,447. As to the commercial reports, do you think they are as well done in the Chinese service as they are elsewhere?—I think so. I think they take a great deal of pains. We have a great deal of difficulty just now, because in one way the Germans are pressing us very hard in commerce; but our consuls are doing very good work in showing to the British public what to import and what not to import, and everything in that way.

29,448. Do you think at the present time that our consuls are really doing all that they can?—Yes, everything.

29,449. Of course, there is this broad distinction between the German service and ours, that our consuls do not tout for particular orders or particular firms?—No; but they always point out to the British public what things would sell and what would not sell; and supposing any inventor or anybody else goes over to China, they are always very civil to him, and introduce him to the proper people. Of course, it would not do for us, particularly in an eastern country, to go and say, "We want you to accept this," because it would assume a responsibility for the Government which would be rather awkward afterwards.

29,450. Are they men of commercial knowledge?—They begin at 18 in the consular service, and they live among merchants the whole of their lives, so they ought to know something about it.

29,451. You are thoroughly satisfied with that service?—I really am with the various consulates as to the personnel.

29,452. (*Mr. Hanbury.*) But you do not think they would do well in the diplomatic service?—They would be no good in the diplomatic service. What good would they be? I do not mean to say that there are not exceptional cases where a consul in time would make a good minister, of course there would be; but as a rule, as I have already said, I think a man who is unknown to the Chinese makes a better minister.

29,453. (*Mr. Lawson.*) Of course you would not appoint them to other courts than the Chinese?—No, I am talking of eastern people. Of course there are good men in the consular service, as good men as we have, and some of them a great deal better.

29,454. I find there is a man who has made his mark as consul who came from the Foreign Office, that is Mr. Crawfurd, he is now consul at Oporto. He was a Foreign Office clerk?—But a very junior one, I suppose; I do not remember him.

29,455. He is on the diplomatic establishment of the Foreign Office; as a matter of fact there are exchanges between that and the diplomatic service?—Yes.

29,456. Therefore there does not seem any reason why these exchanges should not be made?—But he will not be able to go back into the Foreign Office; he will never get back again.

29,457. Then do you think the door ought to be shut against him?—I think it is better to have distinct services. As I say, among the junior clerks I think it is very good that they should have a little experience abroad; and I think it is very necessary that the diplomat should have experience in the Foreign Office; but I am in favour of keeping them distinct services.

29,458. The trade reports from the consuls have been as we know particularly valuable; do not you think that a consul with a little commercial knowledge of that sort might do some good in the Foreign Office; do you not think he would be valuable?—Yes; but supposing you put that man in the eastern department, what good is he there. If he is put in the commercial department of course it is different.

29,459. But he might be put in the eastern and western department?—In the eastern and western, he never would have anything commercial to do there.

29,460. The eastern takes in part of Europe?—It takes in all Turkey.

29,461. Not all. As a matter of fact, you think that if a man elects to go into the consular service he ought to be debarred from all hope of promotion outside his own particular branch; and there, of course, it is not regulated, and it is very limited?—No, I do not think so, because there is many a consul who has become a minister. When you come to the top there is between the two services a sort of no-man's-land, sometimes a consul general may be a diplomat and at the other times the consul general may be a consul, and from consuls general, ministers are made.

29,462. Yes, but that has its advantages; do not you think that a system of transfer a little lower down might have some advantages too?—No, I do not think so. Of course, that is my own opinion, and I only give it for what it is worth.

29,463. You mentioned what your opinion was as to the necessary means that a man should have before entering the diplomatic service. You are aware, I daresay, that where there have been transfers from the Foreign Office higher up in the service there has been no question of a property qualification?—I think you misunderstood me. What I meant to say, if I did not say so, was that no man in the diplomatic service should have less than 400*l.* a year.

29,464. I quite understand, that is the rule in the Foreign Office?—When he is unpaid attaché he should have 400*l.* a year private fortune. When he comes to be paid, together with his salary he must have 400*l.* a year, he must never have less than 400*l.* You see for the first two or three years his family can give him 400*l.* a year, and may be very well able to give him that for two or three years, but when he gets 250*l.* they need only give him 150*l.*

29,465. Supposing you have an amalgamated service, we have been told that in the Foreign Office there is an exact knowledge as to the position and qualifications of the men who are employed both in the diplomatic service and in the Foreign Office?—Yes, that would be so.

29,466. There would be no difficuly, I suppose, in selecting a man to take a particular post who could afford to take it, or if he felt that he could not do so, there would be no difficulty in his saying that he had not the means, and therefore he wished to stay where he was, either abroad or at home?—No; but you know it is the case now. I do not see any use in changing it. In the Foreign Office a man who can get a diplomat to exchange with him may do so.

29,467. You have got two systems of examinations at the present time and two services, although there are exchanges between them?—Yes, but only temporary exchanges.

29,468. At the present moment there might be a difficulty if there was a press of work either at a particular capital or in London, in speedily transferring men, there might be formalities which would have to be gone through?—The Secretary of State has only got to say, Send Mr. Howard to Constantinople, and he would go.

29,469. That is all in your own service?—No, I mean it is in both service. The Secretary of State could make a man acting third secretary or acting second secretary if he wished.

29,470. Then practically the distinction is only nominal?—That is so.

29,471. If it were swept away it would not mean any real change?—No.

29,472. (*Mr. Harvey.*) We have had it in evidence that a great portion of the work of a young diplomatist is dull and mechanical?—It depends upon the man so much; if he chooses he has lots of work to do of course. He copies; he keeps a register and he ciphers; that is all necessary for him afterwards to know his work.

29,473. Still I suppose we may say that if that is continued too long it must necessarily tend rather to weaken a man's power of initiation?—Yes, I should think it would.

29,474. If that be so is not that an argument, as far as it goes, in favour of an amalgamation between the Foreign Office, the Diplomatic and the Consular Services, if you could by instituting such a system as that, getting your merely mechanical work done while retaining enough of it for the training of a man for a few years, getting it done after that by a totally different class of man, and by your amalgamation be enabled to

use the talents of a man who has entered the three services wherever he is wanted, would not that be a strong argument in favour of the amalgamation; that you would be able to reduce the number of years during which a man is doing this dull and mechanical work?—Of course it would be very pleasant; but I do not see exactly how you are going to do it. Of course, abroad you cannot have a man of an inferior position to do the work of the legation.

29,475. We have had it in evidence that, what we call our Lower Division clerks might fairly be employed in many of the embassies abroad for a great deal of this dull and mechanical work?—I have never been in an embassy, but from my experience I should not like to employ them abroad.

29,476. (*Mr. Lawson.*) Like the chancelliers of the Foreign Office?—If you have a permanent chancellier and archivist—there is one in Paris—in many of the legations he would be very valuable. For instance, in Washington if you had one man there who looked after the archives, who kept the register, &c., and he remained there permanently, I think he would be very valuable, because he keeps the traditions, and remembers the cases—the fishery cases, and all the cases which go on for years and years, and he would know exactly where to find them; but that would not relieve the mechanical work.

29,477. (*Mr. Harvey.*) From your standpoint that would be a disadvantage, would not it, for under the present system that sort of work would form a training for the diplomatists?—In just keeping the register, anybody can do that.

29,478. (*Mr. Lawson.*) Who keeps the register generally?—It is generally the junior man.

29,479. At Washington, I mean?—At Washington when I was head of the Chancery I always kept the register, because I had a great deal of work to do, and I liked to see how it was going on; so I kept the register while I was there and saw every paper, because I was responsible to the minister to see that the work was done and carried out; and I could not know what the questions were about unless I knew exactly what had been done.

29,480. (*Mr. Harvey.*) What is the ordinary life of an attaché at Washington. Does he spend the whole of his time, except so far as social engagements may intervene, in copying letters?—No, not in Washington. It depends upon the man. I know when I was head of the Chancery at that time I used to divide the work and give some of the very junior ones drafts to write to the consuls. We used to divide all the consular work and all the commercial work between us.

29,481. Now as to the commercial work, have you yourself had any training in the commercial department of the Foreign Office?—No, I have never had anything to do with the commercial department of the Foreign Office.

29,482. I suppose you would be of opinion that it would be well that every diplomatist should have some training in the commercial department of the Foreign Office?—I really do not quite know what to answer, because a great many diplomatists have not time to do that. When you are going from one place to another you learn a great deal about commerce.

29,483. Take the earlier part of his career, do not you think that everybody appointed to the Diplomatic Service should pass a certain length of time in the commercial department of the Foreign Office?—He has, you know, to pass a six months' probationary period, so to speak, in the Foreign Office when he enters the service, sometimes it is a year, but he must be there at least six months. He is generally sent to the department where he is most wanted, which as a rule is the Eastern department, and there he learns all the ciphering and everything in that way that he has got to do hereafter. Of course it would be an advantage if he learned something about commerce too, but if he wants to he can soon learn that abroad, because we correspond with the consuls on commercial questions the whole time.

29,484. Do you find that you get help from consuls in dealing with commercial questions?—Certainly, they write the commercial reports.

29,485. I suppose we may say that the consul as a rule knows a good deal more about commerce than attachés at the embassies do?—Of course, it is his business to begin with, and, secondly, he is always at the ports where the commerce is going on, whereas at the capitals there is no commerce going on at all. For instance, in China there is no commerce possible in Pekin, and we get all our reports from our consuls; for four months in the year we are frozen up in Pekin and do not hear from anybody except by telegraph or by letters.

29,486. We have had a suggestion made to us that it would be well if there were one attaché in our embassy whose especial business it should be to look after the commercial affairs, to be entrusted indeed with all letters and registration connected with commercial affairs. Would you approve of that yourself?—I do not know exactly how to answer it. They have had one in Berlin, and they have one in Paris—Mr. Crowe, I think—but I have not yet heard how it has worked. Of course it would only be in some very big places where it would be worth the expense of having a man, because in some of the smaller ports at Athens and Copenhagen and Stockholm, and the Hague, &c., there would not be enough for him to do.

29,487. You have expressed a high opinion of the China Service, which, as you know, depends on open competition. Have you formed any opinion as to the mode of appointment in the Consular Service generally?—No, I have not. There are two close services. There is the Levant, which is very much the same service as the China Service.

29,488. Referring to the appointments generally in the Consular Service, have you had occasion to look into the conditions under which appointments are made?—No; I have not had anything to do with them.

29,489. (*Mr. Lawson.*) From your experience, when the order comes to a Legation to report on a commercial or an industrial subject, does the First Secretary or the minister exercise any choice as to the person who should do it, or is it given indiscriminately?—It is generally the First Secretary's duty.

29,490. If he requires special knowledge how is he able to obtain it?—He obtains it either through the consuls or through the Commercial Department of the country.

29,491. If it comes from the consuls it is embodied in his report, and he gets the credit and not they?—He, of course, has to call upon the consuls for reports on the questions that he is asked.

29,492. It comes as his report?—Of course, the consular report is embodied, but he always acknowledges it if he has asked for a special report, or he may add the consular report at the end of his.

29,493. Do not you think that in the Consular Service there is an absence of opportunities of distinction which has a somewhat prejudicial effect on its efficiency. I am not talking of China and the Levant, but of the general service?—The class of men that are appointed to the European Consulates are a different class; they are gentlemen who have been in the army, or have had generally some career before.

29,494. Take the American?—In the United States?

29,495. All over America?—There have been excellent men there, but they have generally been appointed as vice-consuls first and then afterwards as consuls. Most of them are not men who were very young when they entered.

29,496. At the present moment they hardly have fair opportunities of distinguishing themselves?—They are good men and write excellent reports.

The witness withdrew.

Mr. Edmund Douglas Veitch Fane called and examined.

29,497. (*Chairman.*) Hearing that you were at home, we have taken advantage of that fact to obtain your opinion upon one or two questions connected with your service. I think with reference to your service perhaps you might tell us shortly what your experience has been?—I have been at 14 different posts abroad, and I entered the service in 1858.

29,498. Beginning in Persia at Teheran?—Yes, I was in Teheran for three years.

Mr. E. D. V. Fane.

7 Mar. 1890.

29,499. Then you went to Turin?—From Teheran I went to Turin; and from there I went to St. Petersburgh; from St. Petersburgh I was appointed to Washington; from there to Florence, and thence to Rome; afterwards to Munich, from which place I was transferred to Brussels. I was then sent to Vienna, and afterwards to Berne, when I was promoted to be Secretary of Legation at Copenhagen; from which place I was transferred to Madrid, and subsequently to Brussels; from which latter place I was promoted to be Secretary of Embassy at my present post at Constantinople.

29,500. You have had a very large experience of European capitals?—Yes.

29,501. There are one or two suggestions which have been made to us about the diplomatic service upon which I should like to ask you a few questions, perhaps the first with reference to a complete amalgamation of the Foreign Office and the diplomatic service; that is to say that young men should enter for both on the same examination?—As regards the examination, the diplomatic examination is not such a difficult one, because it is not open to unlimited competition.

29,502. Neither is the Foreign Office open to unlimited competition?—At all events the competitors, I think, are more numerous than with us.

29,503. (*Mr. Lawson.*) Because of the property test?—Yes, with us, of course, only men of a certain income could possibly enter the service.

29,504. (*Chairman.*) Upon that point a suggestion has been made to us, and rather influentially made, that the service might be improved if that property requirement or condition were done away with, and if by some means or other, young men could be either kept at the Foreign Office, or sent abroad into the diplomatic service, and more freely interchanged than they are at present; what is your opinion?—I think you would have to increase very much the salaries of the diplomatic juniors.

29,505. Upon that point, do you think it costs a young man, an attaché, we will say, much more to live in a good quarter in Vienna or Paris, than it does in London, supposing that he is an unattached man in London?—In London probably he would live with his family.

29,506. Supposing that he was not living with his family?—It would be cheaper, I think, to find lodgings in London than it would be abroad.

29,507. Is that the case, so far as your experience has gone?—It is my experience, certainly, that lodging is more expensive abroad. In foreign countries an attaché or a young secretary has to live with a certain set of men, he has to live with his own colleagues and with his foreign as well, and he must live according to their manner of living.

29,508. That is to say, the life at an embassy is——?—More expensive than a Foreign Office clerk's life need be.

29,509. But supposing that difficulty in money to be got over, either by a sufficiently adequate allowance or by some means of that sort, do you think there would be an advantage in bringing the services more together?—Yes. I think that a partial fusion of the services would be advantageous to us as well as to them. It would bring us more in touch with our own country, would enable us to see more of our friends and relations here, and would also give us an opportunity of attending to our business at home.

29,510. Apart from private considerations it is an advantage, is it not, that you should be called home to do some work in the Foreign Office more regularly than is the case now?—Yes; I think in that way we should know our colleagues in the Foreign Office, and we should also become better acquainted with the work as it is carried on at home.

29,511. Have you yourself been doing any work at the Foreign Office since your original appointment as attaché?—For a very short time; I was for a few months in the Foreign Office.

29,512. Is it fair to ask you whether you feel that your own position and work might be helped by having some work at home in the Foreign Office?—I do not think that I was long enough in the Foreign Office to say that it was any advantage to me in that way. If I had been at home for a year or two then it might have been really of use to me in my profession. I think it would probably be very useful to Foreign Office clerks also that they should see a little of foreign life.

29,513. Dealing with it from the diplomatic point of view, do I understand you to think that it would be an advantage?—Yes, I think it would be an advantage to us.

29,514. Clearly everybody must admit that it would be an advantage to a clerk serving at home if he had an opportunity of seeing the work being done abroad?—Yes.

29,515. A further suggestion has been made—I do not know whether you could give us an opinion upon it—that there might be, at all events to a considerable extent, an amalgamation of the consular service with the diplomatic service, as is the case in France especially?—Well, it is not done to such a very great extent in France. The amalgamation of the consular and diplomatic services is not carried so far as is generally supposed. It is only occasionally that they transfer their consuls to the diplomatic service, and *vice versâ*.

29,516. We have had evidence which points rather in a directly opposite direction, namely, that young men upon nomination and examination enter the Foreign Office at Paris, and that they are obliged to spend three years, differently divided, at that office and then go indiscriminately, practically, that is, partly with their own option and partly by the character of their work, either to the consular service or to the diplomatic service?—Yes, both services issue from the Foreign Office, I believe, but I am not thoroughly acquainted with their system.

29,517. That is saying that it is amalgamated, is not it—that is, one service?—Scarcely, because some go to the consular service and others go to the diplomatic service, and my impression is that the gentlemen who join the diplomatic service are but rarely transferred to the consular service, and *vice versâ*. They remain in the consular service or in the diplomatic service.

29,518. We have had many examples given to us in the opposite direction?—No doubt there are examples.

29,519. The gist of the evidence which we received—I may say it was the evidence of Sir Charles Dilke yesterday—rather put it in a stronger light than you do, namely, that in his opinion, and according to his knowledge of what happens in France, it was practically a united service. You think that it does not prevail to a large extent?—I do not think it goes so far as that. I cannot speak on the subject, except from having known a great number of French diplomatists, and certainly but a small minority of them I should say had belonged at any time to the consular service.

29,520. Do you see any advantage in introducing to a wider extent than at present prevails, in England at all events, what may be called an amalgamation?—No, I should think it was not a thing to be desired.

29,521. Can you give us your principal objection to such a course?—I think there is a different class of men who enter into diplomacy and who are required in diplomacy. I mean socially a different class of men to those who enter the consular service. Our consular service is one of enormous importance in consequence of our gigantic shipping and commerce. The consuls are men of business who have to think and deal mainly with those subjects and they are not men, as a rule, although they are thorough gentlemen, who socially speaking, belong to quite the same class of men as those who enter the diplomatic service and who ought probably to enter the diplomatic service.

29,522. A great many of them are what you may call political consuls, are they not?—We have not very many political consuls.

29,523. You have instances like that of Sir William White who himself started as a consul?—Of course he is a grand exception. He is one in a thousand, owing to his gigantic ability.

29,524. Would not it be possible to get the same kind of young men to enter the service by making the consular service worth entering by men of the same calibre that we attract into the Foreign Office and the diplomatic service?—Of course if you could succeed in doing that it would be an advantage, but I do not think that you would easily induce men of the position to which I referred just now to enter the consular service and be stationed at a port where they would be all day long receiving ship masters and overhauling bills of lading

and registering acts concerning shipping of various sorts and kinds. That would not be the temptation that diplomacy has for men of a particular social class.

29,525. I suppose there is a certain number of consulates which really might be regarded as objects of ambition to even second secretaries, might they not?—Yes, certainly. Some of our consulates-general, for instance, are very fine appointments. I do not wish for a moment to say that the consuls and vice-consuls are not in every way as good as we are, except that I do not think that they come from exactly the same social grade which makes up the diplomacy of our country, and also that of most other countries.

29,526. We have had suggestions upon the question of the general expense of our diplomatic service compared with that of other countries. From what you have seen of our embassies in Europe generally do you think that there might be, as has been suggested to us, some reduction in the number of the secretaries and some other provision made for doing the extremely routine and ordinary work of the embassies?—It would be undesirable to have in our chanceries anybody except persons who belong to the regular diplomatic service.

29,527. Does what you have said before when I asked you a question about the expense of a young man living abroad, apply here, that there is a collective life, a half family life so to speak?—Certainly, that is the case, for instance, at Constantinople we all live together, and it is an expensive life, not that there is any kind of extravagance, but it must in the nature of things be an expensive life. We all go into society together; we entertain, and are entertained by the same set of people; we all work together and join in the same recreations; we usually dine together, and, in short, have to lead generally one manner of life which only people with a certain amount of income could afford to lead.

29,528. Something like an officer's mess?—Very like it, in fact, we have a mess at Constantinople.

29,529. Are you able to express an opinion upon the general expense of our diplomatic service?—I believe that, relatively speaking, the salaries of our ambassadors and ministers are not higher than those paid to men of the same rank in the foreign services. I mean it in this way, that the scale of incomes and of salaries is so much higher in England than it is abroad, that what we should consider a modest income or salary would be considered by them as being a very large one indeed. For instance, to take Italy, their ambassador in Turkey, I suppose, receives (I am not quite sure) about 6,000*l.* a year. I should think something of that sort. Ours get 8,000*l.* But a salary of 6,000*l.* a year would seem to an Italian mind vastly larger than a salary of 8,000*l.* a year would seem to an English mind.

29,530. (*Mr. Lawson.*) I see he gets 591*l.* of salary, 3,944*l.* frais de representations, and 1,900*l.* for a house, that without including his house only makes about 4,500*l.*?—I was not aware of the exact figure.

29,531. (*Chairman.*) We have heard that the figures that we have received as to the salaries of foreign ambassadors to this country or to France, say, coupled with the frais de representations, are really supplemented on frequent occasions by the cost of entertainments given officially and otherwise?—Certainly, that is my impression. Take Russia for instance, it has happened once or twice since I have been at Constantinople, that Russian Grand Dukes have come to Constantinople, and all the entertainments connected with their visit were, I imagine, paid by the Government. But that would not be the case with us. Princes of our own Royal Family have visited Constantinople on two occasions since I have been there, and certainly I do not believe that our ambassador charged anything on that account to Government.

29,532. How about other nations besides Russia; do all these extra payments apply to them?—Yes, I think that they probably would, but I cannot answer that for certain.

29,533. Does that practice apply with regard to Germany?—I should think that with the German service it would be the case. I would furthermore observe that men who hold the posts of ambassadors in Foreign services are very frequently, men of great wealth. It is a position which is much coveted by foreigners who are rich. In most foreign countries people do not care so much about going into public life at home as is the case here; they have not the same country life that we lead; they are not busied with county government; therefore men of large fortune run very much for the sake of public employment after these great posts abroad. At Constantinople, for instance, two at least of the ambassadors are men of very great wealth. That is never the case with us, we never find an Englishman of large private means who would consent to live out of England.

29,534. (*Mr. Lawson.*) Sometimes?—Hardly, I think as a diplomatist, at any rate, very seldom, but I do not think I have ever known a rich man do so.

29,535. (*Chairman.*) The necessity of entertainment is sometimes urged as a reason why our salaries should be at all events apparently higher than those of other countries, coupled with the fact that so many more Englishmen travel than the natives of any other country; and it is also urged that it is expected that the ministers and ambassadors should do something for their countrymen and their families. Do you think that is a reason?—Yes, I think that is a very great reason. It is a very positive fact that the English embassies and legations abroad entertain a great deal more than the foreign ones do; it is not the custom in foreign countries to invite people to dinner very much, whereas with the English people it is very much the custom. Englishmen cannot restrain themselves from asking their friends and their countrymen to come to their house. With foreigners that is not nearly so much the case. I can assure you that at almost every place where I have been it is the English embassy, or the English legation, which has been at the head of society in the way of entertaining and receiving. I think that that would be acknowledged even by my foreign colleagues to be the case. Certainly I have not the slightest doubt in assuring you that it is so. For instance, in America, where I was for a long time, it was always the British minister who entertained, and who was expected to entertain by the Americans as well as by his countrymen. As I say, he was expected to entertain, and he always did it in a very grand way, and it was of great use to us in our relations with the Americans that that should be the case.

29,536. (*Mr. Hanbury.*) But that is one of the places where the salary is low?—No, it has been raised, it was in my time only 5,000*l.* a year, and I am afraid that the minister was much out of pocket.

29,537. It is only 6,000*l.* now?—Yes, it is 6,000*l.* a year now; that is more than in my time. Of course 6,000*l.* a year sounds a very good income, but in my opinion there is no place where the salary ought to be so high from my experience there of three or four years, as at Washington. I think it is about the most important diplomatic post that we have, and beyond that I think of all the posts that I know it is the place where the ministers should be able to receive and entertain in a very large and open-handed way.

29,538. And yet knowing that and having had occasion to revise the salary, we deliberately put it down at 6,000*l.* as being quite sufficient?—It is the largest of all the salaries paid to ministers. If you take an ambassador, an ambassador is put to greater expense in some ways; he has to entertain in rather a more princely style than a minister.

29,539. Whom does he entertain in a more princely style—his own countrymen?—I was thinking of the general style of living which is incumbent upon him. Wherever there is an ambassador there are royalties to begin with; then he would be obliged to have his horses and carriages and his liveries all on a grander scale than is the case with a minister. He represents the person of the Sovereign, and that is not the case with a minister.

29,540. Is that the case in Paris which costs more than any other of our embassies?—In Lord Lyons' time he had always splendid equipages and displayed the greatest hospitality.

29,541. (*Mr. Maclure.*) How much entertainment is there in Paris?—I do not know Paris since Lord Lyons' time. In his and in Lord Cowley's time I knew it, and they both entertained a great deal. In the first place, Lord Lyons received his staff every day; as many of his staff as chose to dine with him I believe. Besides that he had constant entertainments. A single ball at a place like Paris, I suppose, would cost not less than 700*l.* or 800*l.*

29,542. (*Mr. Lawson.*) It makes no difference, I suppose, in the case of the United States whether our representative be a minister or an ambassador?—Do

Mr. E. D. V. Fane.

7 Mar. 1890

you mean to say that it would not make any difference in his mode of entertainment?

29,543. Yes?—I do not think it would in America.

29,544. Your definition was not quite accurate, because you spoke of ambassadors only being possible where there were royalties. In Paris there are not any?—I know that, but I am speaking generally of the embassies.

29,545. (*Chairman.*) It would not be possible to do away with the embassy at Paris and have a minister instead of an ambassador?—No.

29,546–7. (*Mr. Lawson.*) It has been suggested to us that the Legation at Washington should be made into an embassy?—That is quite another thing.

29,548. Would you say that it would be merely a change of title?—The French have an ambassador in Switzerland; we used always to have an ambassador in Venice in former times. Every independent nation is a Sovereign State, and there is nothing anomalous in an ambassador being accredited from a monarchy to a republic, or *vice versâ*. To appoint an ambassador to a country instead of a mere minister is, of course, a greater mark of respect to that country.

29,549. (*Mr. Maclure.*) We only have a minister in Switzerland now?—I do not think we ever had an ambassador in Switzerland. The French have one at the present moment, they always have had one.

29,550. (*Chairman.*) Then there is another question I should like to ask you upon the diplomatic service and the Foreign Office; do you think that any more use might be made of unpaid attachés?—Unpaid attachés are, as it were, in *statu pupilari*, they are being trained.

29,551. I meant, are there more young men who have means of their own who might be very willing to learn, and who would serve without any idea of interfering with the regular diplomatic service, but rather as subsidiaries at places where, for the time being, there was a special pressure of work?—I think the Foreign Office, during the last few years, have rather adopted that plan, and it certainly is a very good one. It is good in every way; it is good for us, of course, to see our young English gentlemen of good position who come out, and who are attached to the embassies, and it is the old-fashioned idea of people in that position of life coming for a few years to an embassy in order to be trained, as it were, a little in foreign life, and to see a little of foreign courts. Of course they are also useful to us in our work, in our chancelleries, because they take their share of the work like an attaché belonging to the regular service. We have them in Paris, and in St. Petersburg, and in Vienna. At Constantinople we have not any honorary attachés, but I think it is a system that might be extended with advantage.

29,552. (*Mr. Maclure.*) We will take it for granted that the question whether we are to have at a given place an ambassador, or a minister is one which of course is simply and solely for the Foreign Office to consider, in order to please the *amour propre* of a particular country?—Yes.

29,553. You have had a most varied experience, and you have been according to your statement at several different posts?—Yes.

29,554. The system which has been adopted in France and America is one of sending educated persons to act as consuls and vice-consuls for those countries?—Yes.

29,555. Do you yourself think that it is desirable that all our consuls and vice-consuls should belong to the diplomatic service or consular service, instead of being simply members of trading firms, as most of our vice-consuls are?—The consuls, I think, do their buisness better, being what they are at present, that is to say, persons of a class in life connected with the middle class, we may call it, who are brought up to understand trade and shipping matters. I think that they are more competent to do their work, which is rather rough work in most of these sea ports, and better suited for it than if they were fine gentlemen with an Oxford or Cambridge education, and persons who require a great deal of society.

29,556. Take the case of the Pas de Calais, which you know extends from Boulogne to Ostend, there you have an American citizen, who has been properly trained, and we have sent a Mr. Bonham, who has been in the Foreign Office do you think, yourself, that a simple English merchant would be as good?—Yes, I do. If you could secure his services.

29,557. In Berlin we have Baron Bleichröder, who is a foreign subject, do you think he is a better man than a man from the Foreign Office at an important place like Berlin?—I do not think Baron Bleichröder is paid.

29,558. I know that, but I want a distinct and absolute answer to my question. Do you think that we ought to have a British subject connected with the Foreign Office in every important centre, such as Paris, Berlin, and Vienna?—At Vienna, again, it is true that the consul is a foreigner, but he gives us his services gratuitously.

29,559. I want a distinct answer to the definite question which I put. Do not you think that in these important centres you ought to have a British subject as consul?—I think it would be much better, if you could find one who would do the work for nothing.

29,560. But surely the country can pay him?—Yes, certainly, if you choose to do so.

29,561. Do you think that we should have a paid consul?—If he is paid, naturally it will be very easy to find an Englishman.

29,562. And do you think he ought to be properly trained?—Yes, if he is to receive a salary.

29,563. And that a British subject having to go to demand his rights ought to be able to go to one of Her Majesty's paid officers to demand his rights?—Yes, in those big capitals like Berlin.

29,564. At Vienna, Constantinople, and, I may say, wherever you have got a minister or an ambassador, do you think that we ought to have a British subject paid and in a proper position to represent British interests?—I think it would be preferable if we could find an Englishman, and if you paid him. I think, of course, that it is always better to have an Englishman than a foreigner.

29,565. (*Chairman.*) Would it be preferable to have the special interests of our countrymen in those places looked after by one of the secretaries or commercial attachés connected with the embassy; is there any advantage, for instance, in having a separate paid consul at Vienna?—No, I do not see that there is. It simply amounts to this, that it is an advantage to their general position in life to be called British consul or consul-general, while it suits us to get their services for nothing.

29,566. (*Mr. Maclure.*) They wear a uniform, do not they?—Of course, they have a right to wear a uniform.

29,567. Do I understand you that it is desirable, in your opinion that a British subject should be the consul-general wherever there was a minister or an ambassador?—I do not know that in these great places, such as Berlin, we should consent to have a consul-general unless we could get one who would do the work for nothing, because Berlin is not a seaport, there is no shipping to be attended to, and that is the main duty of a consul, the business there would be done very simply by the embassy staff.

29,568. (*Mr. Lawson.*) You have some experience as I know with the consular service in Turkey and the Levant?—Yes.

29,569. I think that a member of your staff at Constantinople always has charge of the school of student interpreters?—Certainly, the head of our chancery has charge at present of the school of student interpreters. But I believe that school is going to be brought to a close.

29,570. We had not heard of that?—I am under the impression that it is not to go on.

29,571. Is there any particular reason for that, because I have always heard that it has been a great success?—I should say so too. I should say that it had been a great success and I imagine that we regret very much at Constantinople that it is going to be brought to an end. I do not know the reason why. Everything is done for economy as much as possible, of course it is an economy to shut up that school, but it has certainly done very good work indeed, and it has turned out most excellent young men who have had the posts given to them of vice-consul, and with the prospect of rising afterwards to be consul in the east, owing to the great knowledge of the languages which they have acquired from having been brought up in this school. In fact the school was like a little university in that way. they had to pass out of it before they became qualified to be under dragomans or interpreters or vice-consuls.

29,572. You have given some of them a fair trial by this time, have you not?—Yes, I think we have given them a fair trial, and very excellent young men they have proved themselves to be.

29,573. Of course they have been political officers to a certain extent as well as commercial consuls?—Yes, they have to a certain extent, they work in the dragoman's department in the embassy.

29,574. Do you believe that by the system of open competition from this school you have got as good a class of men as you could want for the work?—Yes; I do not think you can have better men than have been turned out from that school. A great deal is to be said for the superintendent who is our head second secretary, Mr. Lowther. He has taken the greatest interest in it and worked very hard in the school. Of course it is like the headmaster of a school, the success of a school depends a great deal upon who the schoolmaster is.

29,575. You do not know any reason except the obvious one of saving, which may be an economy, for closing it?—I know of none. Speaking for myself I think that it is very regrettable that it is about to be closed. I believe it is the intention to close it.

29,576. Is there any cessation in the demand for this class of man as consul, or do you think we need him as much now as ever?—As much now as ever, I think. One of them, a very able young man indeed, is acting at the present moment at Sophia.

29,577. And you have one at Adrianople, too?—We have one there also and another at Smyrna; and also one of our very best dragomans comes from that school.

29,578. Supposing the school is closed, by whom would the consulates in Turkey and the Levant be filled?—They would have to be filled, I suppose, as formerly by Levantines instead of by Englishmen.

29,579. I have seen retired officers and men of that class filling some of the posts?—Filling the higher consulates?

29,580. Yes?—These young men could not possibly have filled the higher consulates yet.

29,581. They were training?—Yes, in fact it was a sort of Levantine consular service.

29,582. A special service?—A special service.

29,583. You will have to revert to the old order if this school is closed?—Well, I presume so.

29,584. Do you believe that up to the present you have got from these men, when they have been appointed vice-consuls, as good commercial information as is wanted in England?—Certainly; I think they are quite as good as the consuls who are appointed from another class; they naturally would be because they are better trained.

29,585. But they might not necessarily have had any commercial knowledge?—No, but probably as much commercial knowledge as most consuls have. I do not know that consuls have any special commercial knowledge, they have to do with shipping principally, that is their chief, and of course it is a very arduous duty. Our consular service is harder worked than any other.

29,586. There has been no complaint of these men on that score?—No, certainly not; I have not heard of any complaint of them on any ground at all, on the contrary they are admirable young men and a great success.

29,587. Of course the Turkey and Levant branch is distinct as well as the China and the Japan branches of the service from the rest of the consular service?—Yes, under the capitulations which give our consuls more work to do, work of a different kind I mean, than is the case with countries which are outside the capitulations.

29,588. Do you believe that these men thus trained could be used for diplomatic as well as for consular work in the future?—If they turn out great men like Sir William White they will, but of course it will depend upon their individuality. Naturally they would not go on like an ordinary average man in the diplomatic service, getting up slowly by degrees in the way of seniority, that they never could do, because they would not belong to the line. If they displayed great talent, great ability, great industry, then doubtless they might be placed in our service, as has been done in the case of Sir William White.

29,589. In Turkey in the past, consuls have had, and possibly may have in the future, opportunities of distinction which have not presented themselves elsewhere?—That is so, owing, in a great measure, to the creation of the small Balkan kingdoms.

29,590. And in Asia Minor the same thing may occur?—In the East, generally, a man has more power, and more chance of distinguishing himself than in any other part of the world.

29,591. Do not you think that that in itself would have a healthy effect upon the service?—To a certain extent.

29,592. Cannot you believe that the absence of these chances of distinction and of promotion in the rest of the consular service has a mischievous effect?—The fact is that we do not as a rule approve, except, perhaps, in the East, of consuls becoming too political. We like them to keep themselves to their consular work, because that very motive of wishing to rise out of their own sphere makes men dabble in politics very often where they would be much better employed in their consular work, and sometimes this creates mischief too. An embassy never encourages consuls to mix in politics more than is necessary.

29,593. Yet you do encourage your diplomatists to take as much commercial work as they can?—Yes, the general commercial business of a country. Of course, a consul can only report on commercial matters from his own port, whereas the secretary of the embassy reports on the general commerce of a country.

29,594. His reports are local, and yours are general?—Exactly.

29,595. Then you do not believe (even keeping the limitations of work in the consular service if they are advisable) that it is possible elsewhere in the East, to make any very great interchange of duties or of posts between the two services?—No. I do not think so, we, ourselves, should not like to leave diplomacy in order to take a consular post.

29,596. But it has been represented to us, it was by the last witness, Mr. Howard, that married men, especially in your service, sometimes find it inconvenient to make sudden changes from one part of the world to another; a consular post has the advantage of permanency?—Of course.

29,597. Of course not absolute, but probable permanency; do not you think that would persuade some?—That is a strong inducement no doubt, but it is not a sufficient consideration to make a man go into the consular service from diplomacy. You see a comparatively young man, like a third or a junior second secretary, could hardly expect to be given a good consular post, and as regards a senior second secretary or a secretary of legation, a man of that standing would prefer waiting for a higher diplomatic post in compensation for the inconvenience he had undergone and the amount of private fortune he had sunk in the earlier stages of our service.

29,598. Quite so, but at the same time it is to a certain extent a matter of etiquette, is it not; I mean to say that the two services are not on the same social level?—Not quite, although I have the greatest respect for the consular service. I think that it is generally understood throughout the world, not only with us, but throughout the world, that the diplomatic profession socially speaking differs from the consular.

29,599. But if it is, as in the French service, more on an equality, would there not be less difficulty of transfer?—Yes.

29,600. If there were not the same social inferiority?—No doubt if you could introduce an amalgamated consular and diplomatic service naturally we should be just as glad to go to a good consulate as to go to a diplomatic post. I may mention that at present some of our diplomatic representatives are at the same time consuls, or rather consuls-general.

29,601. (*Mr. Hanbury.*) Could not that system be extended in Europe if the consuls were a different class of men?—There would be only one in each country. For instance, our representative in Peru is not only minister but he is also consul-general.

29,602. (*Mr. Lawson.*) And Mexico?—Yes, and Mexico too, and many other places, the reason being that there are certain acts which under Act of Parliament only a consul can perform.

29,603. (*Mr. Hanbury.*) What I want to get at is this. Supposing the consuls were of the higher class of men

Mr. E. D. V. Fane.

7 Mar. 1890.

would it be possible with advantage to the diplomatic service to give them more political work than they have at the present moment?—Do you mean to say bring them into our service?

29,604. They must be able to collect not only commercial information but political information?—I do not see where the advantage would be, because we have at present everything that we require in the way of efficient men and well educated and well conducted men.

29,605. But those men are all at one spot at the capital?—Yes.

29,606. Would not it be an advantage if you had, as it were, branches of your diplomatic service at the various consulates so that you could get political information from the different portions of the country and not only from the capital itself?—The consuls do send us political information in Turkey.

29,607. I am not talking of Turkey, I am talking of the world generally?—Political information is hardly acquired in most other countries, except in the capital itself. It can be obtained there and there only because everything is so centralised. Even as regards the United States, the general politics of the country centre at Washington.

29,608. (*Mr. Maclure.*) We know, and I think you will admit it, that the hand of every country that you have been connected with is practically against British industry; that is, they put a tax upon British industry in every way, do not they?—Yes, certainly, except that Turkey is most liberal.

29,609. In every other place, we will say such as Bordeaux, Boulogne, Berlin, anywhere you like to name, when you get these, it is as I have said. Having regard to that, I again repeat the question which I put to you; would not it better to have a number of consuls belonging to the diplomatic service who would be able to watch British industry without any personal interest of their own, and to report to the Foreign Office, and to belong to the Foreign Office themselves, instead of belonging to the trades with which they are connected?—You will excuse me, but our consuls are not allowed to trade.

29,610. You say they are not allowed to trade, but I tell you that they do trade?—Of course, I was referring to consuls in the receipt of salaries. Those who are unsalaried would naturally be at liberty to trade.

29,611. Paid consuls are not allowed to trade?—Paid consuls are not allowed to trade.

29,612. I still come back to the question that I asked. Would not it be better that these consuls should all belong to the Foreign Office?—I think that if there were an Englishman and a foreigner in the case which you cited at Berlin, I would always take the Englishman in preference to the foreigner, if we could get the Englishman to do the work for nothing.

29,613. (*Mr. Lawson.*) You have had experience of a great many countries where the language is excessively difficult, do not you think that it would be an advantage very often in the embassy or legation to bring in men, such as consuls often are, with a very long experience of the country and a thorough knowledge of the language?—Yes, it is always useful to have at your command men who possess a thorough experience of the county and a perfect knowledge of the language, and, certainly the consuls acquire the language very soon, for this reason, that they find they cannot carry on their work until they have learnt it.

29,614. I am thinking of their entering by way of transfer into the diplomatic service, and placing that local knowledge at your disposal to a fuller extent than they can do now, and also of the reciprocal effect upon the diplomatist, that is to say, if they were for some few years at consular posts they would obtain local knowledge and a mastery of the language?—Yes.

29,615. Can you see that there would be some advantage in that?—Yes. I only mean, however, to this extent, that the young diplomatist would more surely conquer a difficult language.

29,616. I understand you to be against it generally?—Yes, I am against it generally, certainly.

29,617. (*Mr. Harvey.*) A large portion of the work given to a young diplomatist is necessarily, is it not, of a very mechanical character?—Yes, certainly; it is copying out despatches and the enclosures.

29,618. If that goes on for a considerable length of time, it must tend to weaken a man?—Yes, but it does not go on; if it went on always a man would become merely a copyist and nothing else.

29,619. Would not it be more likely to develop the higher qualities mentally in a man if, the service being amalgamated, the time which is now occupied by these dull and mechanical and routine duties was employed in the duties that are now given to a consul. As a matter of fact, do not the duties of a consul or vice-consul require higher gifts, more knowledge, more commercial attainments than the work of a young diplomatist?—Certainly they do. I mean in this way, that a consul has always to think for himself, and usually to act on his own responsibility, whereas that is not generally required from a young diplomatist.

29,620. Then to the extent that that goes is not that a very strong argument in favour of an amalgamated service?—The diplomatic service is entered by people who do not wish to go into the consular service, who go into that particular service who are anxious to remain in it, and who must go through its training. It is necessary that they should go through this clerical work; but they see all the correspondence which passes between their chiefs and the Foreign Office, and are thus able to perceive the political views of their superiors. In this sense their work is not merely mechanical, and because for the time they are only copyists, it does not follow from that that they are not improving themselves and training themselves towards holding higher posts afterwards.

29,621. Still you would be of opinion, would you not, that any system which minimises the amount of time that a young man had to give to that kind of work was on the whole a better system than one that did not?—Yes.

29,622. Suppose, for instance, the conditions for entering the consular service were the same as the diplomatic service, that is to say, that there was one amalgamated service, and that every man on entering that service passed through the commercial department of the Foreign Office, and then became in due time a consul, and so rose gradually according to his ability; would that not practically diminish what I understand to be one of the greatest troubles of the diplomatic service, the inordinate amount of time that has now to be given by young diplomatists to dull and mechanical duties?—According to that the consular employé, so to speak, would do the work that the attaché does now.

29,623. A suggestion has been made to us on very high authority for a complete amalgamation of the three services, the service of the Foreign Office, the diplomatic service, and the consular service; the point I want to bring very clearly out is this, given, as we have had it in evidence, that the large amount of dull and uninteresting work that has now to be performed by a diplomatist is one of the grievances of the service, would not the tendency be to diminish that very much if you had an amalgamated service embracing the whole of the duties now performed by the Foreign Office, the diplomatic service, and the consular service?—In the Foreign Office as in diplomacy so in these consular establishments all the young people would have to go through this ordinary routine work when they first enter on their service. They naturally must, somebody must do it, and, of course, it is the youngest who is the right person to do it. Neither in the Foreign Office nor in the consular service are, as a rule, the young clerks given responsible work to do; naturally the ordinary kind of business is entrusted to them, but it is a mistake to suppose that our young men in the diplomacy have not, occasionally, entrusted to them tasks of a fairly important kind. We seek occasions to employ our young men in that way in order to train them. For instance, we send them sometimes to see a foreign minister on a particular subject, or we detach them on some special duty. A case occurs to me at this present moment. One of the cleverest men in our service who belongs to the embassy at Constantinople has been sent to Bucharest to hold the place there during the absence of the minister.

29,624. Would you say that the ordinary work of a second secretary at an ordinary embassy was up to the level of the work of a vice-consul at a populous port?—Do you mean to say in the amount of work or in the quality of work?

29,625. In the quality of work. I mean by quality the power of initiation, decision, and knowledge?—

Not in all the legations, but certainly in the embassies he has a higher sort of duty to attend to than any consul would have. Take Constantinople, for instance, the second secretaries there, especially the senior second secretary, has an immense amount of responsible work which requires the exercise of great thought and judgment.

29,626. What kind of work?—He conducts the whole affairs of the chancery; he drafts despatches on minor subjects, of course not on the most important subjects. Then he has to keep order amongst them all, and to put into working trim the instructions which are sent down to him from the ambassador.

29,627. Is not his work primarily work of record?—No, that falls more on a junior man on the staff; a junior man attends to the registering of the papers, numbering them, docketing them, and so on. In a large embassy like ours that falls on a junior second secretary rather than on a senior second secretary. The senior second secretary is a sort of navigating officer as it were.

29,628. Does he have to draft minutes on his own initiative, or does he merely formally have to put in shape minutes, the substance of which has come down to him from his minister or his ambassador?—No, he has very often to initiate them himself. He suggests something in order to save the ambassador trouble. He will put on the docket of a despatch something that he proposes should be done to it. There is such an enormous correspondence in a place like Constantinople that you will do everything you can to save the ambassador trouble; and therefore that is always done. Something is written on the docket, it is called minuting, suggesting the line which should be taken by the chief in that particular matter.

29,629. That then goes up for the chief's sanction?—Yes; and instead of having to think for himself how he should deal with some simple matter of business, he looks on the docket to see what is suggested in the chancery, and he approves of it, or he does not approve of it; most of them of course he approves. Then he initials the paper and it comes back to the chancery and the orders are carried out. When the orders are carried out, it is the man down below, it is the second secretary of whom we are talking who drafts the letter or despatch and sends it up for the approval of the ambassador, because the ambassador himself does not take the trouble to do all those small things, it is as if you were giving an order to a secretary to carry out such and such an instruction.

29,630. Still, we may fairly conclude, may we not, that the work done in a well organised consulate is quite equal, except in matters of the highest moment, which are probably the business of the ambassador himself, to the ordinary work done in an embassy?—Yes, I should think it required just as much mental power, but it is of a totally different kind, because the consular is purely shipping and trading business, whereas ours, of course, is rather of a political character.

29,631. Would not the shipping and trading business probably include some of the most vital and difficult questions with which a man may have to deal?—Certainly; but then you see it is the routine work in shipping which the consul attends to more than anything else. He does not, as a rule, enter into great commercial questions, I mean to say questions connected with commercial treaties and questions of that sort. Our commercial policy with a foreign country he would have nothing to do with.

29,632. Suppose a question of that kind coming before the embassy, would not the embassy, as a matter of fact, always consult and be in perfect accord with the consulate?—Yes, if a consul reported to us and asked instructions on a commercial question if we had an opportunity of consulting him, that is to say, if he happened to be near, we should be always very glad indeed to see him about it.

29,633. Would you say that the commercial experience of an embassy was ever on the same level as the commercial experience of a consulate?—The commercial experience required in an embassy is of a different character to that required in a consulate. I may mention that I, myself, at this present moment am the British delegate for revising the treaties of commerce with Turkey. I have associated with me other people, but I am the principal delegate.

29,634. In a matter of that sort which I take to be a matter involving considerable experience, great knowledge of tariffs, and of local habits and customs, and so on, do you call the consuls into consultation with you?—We should not have to deal with the local tariffs but with the general customs tariff of the country which, of course, we should know about quite as much as the consul at some distant port would, or at any port. It is our duty and business to know it because we report home to the Foreign Office every change that takes place in foreign tariffs, in fact all commercial matters of that sort pass not through the consulates but through the embassy.

Mr. E. D. V. Fane.

7 Mar. 1890.

29,635. Does not the knowledge of all customs questions necessarily arise at the port in a sense with a distinctness and directness with which they cannot arise with you at the capital?—If there is any dispute at a seaport about the payment of a customs duty the man who was aggrieved would naturally go first, I suppose, to the consul at the port and try to get his grievance settled there, but supposing it could not be arranged there with the customs authorities of the place, then the matter would be referred to us at the capital in order to see what could be done by us because it always ends in a diplomatic question. If there is a cause of complaint a consul cannot complain to a foreign government, he has no power whatever of complaining to a foreign government, it always has to be done through the representative; in fact through the legation or the embassy.

29,636. But if you had a complaint from any British merchant with reference to any question of tariff would you not naturally feel that the consul of the port had a much better opportunity than you could possibly have of coming in contact with all forms of British opinion on that question?—Certainly; as regards the particular port.

29,637. Then does it not come to this that the commercial knowledge, the commercial traditions—all the questions connected with the tariff must be as I say better known—at the consulate than at the embassy?—Do you mean the practical effect of the tariffs?

29,638. Certainly?—Certainly, at first hand, it would be better known. I may mention with regard to the the business that I am concerned in myself which has been entrusted to me at Constantinople, that of negotiating with the Porte for the revision of the commercial treaties, that the second delegate who is associated with me is Mr. Wrench, who is our consul at Constantinople. No man has a greater experience than he has with all questions of commerce in Turkey, because he has been such a long time at Constantinople; but supposing he was the consul say at Smyrna or Beyrout we should not necessarily send for him to help us in a matter of this sort. We only employ his services because we happen to find him at Constantinople. He is there at Constantinople, and from his long residence at the Capital he has a great acquaintance with Turkish tariffs, commerce, and shipping, and therefore we are very glad indeed to have his assistance in this particular business, but we should not send for a provincial Consul to assist us in a matter of this sort.

29,639. Did you pass any time yourself in the commercial department of the Foreign Office in the earlier stages of your diplomatic career?—No, I have never had any opportunity of doing so.

29,640. Do not you think it advisable that all second secretaries, that all the men in the diplomatic service should pass through the commercial department?—Yes, I agree with you.

29,641. You think they should?—I think it would be a very good thing if they could. The only thing is I do not know whether they would have room for them all. They have to pass six months in the Foreign Office in which to prepare themselves before they are received into the diplomatic service, and as I understand it, your suggestion is that in the course of that six months they should pass a part of that time in the commercial department.

29,642. Yes, or even more than six months?—I think that your suggestion is a very good one.

29,643. Have you made it part of your business to look at the various consular reports that we have from all the British consuls?—I only read the ones that refer to Turkey.

29,644. Those, of course, come from the group of consuls who were appointed under the open competition system?—The student interpreter school that I spoke of has only been going on for a short time, and only young men have been turned out of it, and

Mr. E. D. V. Fane.

7 Mar. 1890.

therefore it has not had any effect yet as regards the higher posts of consuls and consuls general from whom the consular reports proceed.

29,645. You have expressed a very favourable opinion with reference to the student interpreter; have you formed any opinion as to the general consuls, the consuls outside that special arrangement?—Yes, they are all good men, I think. We are all very satisfied with them. I think that our consular service is one that we may justly be proud of. I think that it is a very efficient service. It, as I said in one of my previous answers, has much more work to do than any consular foreign service.

29,646. That it naturally would have, would it not, because of our greatly extended trade?—On account of our immense trade and shipping.

29,647. Do you think the present mode of entry into the consular service is all that can be desired?—I am not a good judge. They enter candidates up to 50 years of age, and the examination really amounts to nothing. But I beg to repeat that our consuls are, generally, admirable public servants.

29,648. (*Chairman.*) Is there any other point which you would like to mention?—I was anxious if I had been asked a question on the subject, to say that I think as regards the diplomatic pensions we ought to be treated by the Treasury, I will not say with greater liberality, because we do not ask for liberality, but with what we would consider is more fairness perhaps. I refer to the Act of Parliament which governs the diplomatic pensions, and I am only speaking of diplomatic pensions of the fourth class, which are the only pensions to which men of my standing would be entitled, that is to say, men who are secretaries of embassy or legation and who have served a matter of 30 years abroad.

29,649. What is the point where you think the Treasury does not act, as you say, very fairly towards you in respect of the fourth-class pensions?—The Act of Parliament empowers the Treasury to grant pensions to men of my class on the recommendation of the Secretary of State after 15 years from the date of the first commission. Of course no one wishes to claim that unless he is completely broken down in health. What we do think is that after a man has been a great number of years, say 30 years for instance, abroad serving in different climates, and been put to a great deal of expense and hardship in life, he should be allowed to retire and come under this clause after the expiration of 15 years from the date of his first commission and say a certain number of years, 10 or 15 or so, in addition to that 15 years, bringing his whole length of service up to a matter of 25 or 30 years.

29,650. Do you mean that he should be then entitled to demand some pension from the Government?—Yes.

29,651. In respect to the whole period if he choose to retire?—In respect to the whole period when he gets to a certain age, but we ought certainly to have relief under this clause, because Parliament could not have intended that it was to remain practically a dead letter.

29,652. What is the practice of the Treasury now?—I believe that they place great difficulties in the way of giving pensions to any of us however much our services may justify them in giving the pension, they simply read the clause: "The Treasury *may* grant pensions "during life on the recommendation of the Secretary "of State," and on that reading they hold that it is absolutely in their discretion as to whether the pension shall be granted or not. Our feeling is that it is rather the Secretary of State who ought to be the judge as to whether a man's length of service entitles the Foreign Office to ask for his pension, and that the Secretary of State having asked for it the Treasury ought, unless there be some clear and palpable abuse in the matter, as a general rule, to grant it. There is such a block in the diplomatic service at present that the juniors despair of ever rising to the higher posts. That state of things is detrimental to the efficiency of the service, and is caused in a great measure by the reluctance of the Treasury to grant these fourth-class pensions.

29,653. Then would you propose a limit of age or a limit of so many years service?—I think something of that sort may be done, they might say that a man over 50 years of age and after 30 years of service, or some such limit, should be entitled to a fourth-class pension on the recommendation of the Secretary of State. The junior members of the Diplomatic Service are very inadequately paid. Our salaries amount to a very small portion of our expenses, but we have always looked forward to this pension as being a part of the compensation given to us by the public.

29,654. You represent, as I understand, that it is the general opinion amongst the gentlemen of your profession that the Treasury is rather hard upon you, and that instead of accepting the recommendation of the Secretary of State for Foreign Affairs the Treasury is rather apt to say that they have got a will of their own?—That is exactly our position.

29,655. What would be a fair proposal which you think would be likely to pass Parliament; what limit do you suggest, do you think anything short of 60 years of age?—Take the Indian Civil Service as a sort of type to follow. The salaries in India are very fine ones; public servants are able to live on their salaries in India, which, of course, is not at all the case with us in the diplomatic service. They are far more comfortably off than we are, because they are mostly in one settled place instead of having like us to constantly move from post to post. After 25 years, four of which are on furlough, they are able to retire on a pension of 1,000*l.* a year. We do not ask for so much as that, we simply ask for a fourth-class pension, which cannot exceed 700*l.* a year, and is very often only 500*l.*

29,656. (*Mr. Harvey.*) You know, of course, that 60 is the age in the home service?—That has always been the rule as regards the home service, but it has never been the rule with us, and our kind of life is very different from that of the civil servants at home. I mean that it is one of ex-patriation and of greater hardship. The principle recognised by Parliament, as with the Indian Civil Service, so with ours, is that service abroad should count towards a pension more than service at home, and that is the reason why we become qualified for pension at an earlier age than is the case with the civil servants who are not required to live out of England.

29,657. (*Chairman.*) Your view generally is, I think as I put it to you before in summing up, that your grievance is not with reference to the amount of the pensions, but that there ought to be some age, combined possibly with some period of service, at which time any person who has been abroad for that period might be entitled to claim to retire on some pension?—Yes.

29,658. Instead of its being left, as it is now, on the recommendation of the Secretary of State, entirely optional with the Treasury to grant a pension?—Yes.

29,659. Are there no instances in which the Treasury have given fourth-class pensions within 15 years from the date of the first commission to men, we will say of 50 years of age who have served only 15 years from the date of their first commission?—Not for the last 10 years, that is to say, since 1879. In that year there were two cases in which pensions of the fourth-class were granted to men who had served only 20 years altogether, and only 15 years from the date of their first commission, and both of these men were, I believe, under 50 years of age.

29,660. (*Mr. Harvey.*) Has there never been a fourth-class pension granted?—A few have been granted.

The witness withdrew.

Adjourned.

EIGHTY-SEVENTH DAY.

7, Whitehall Place, Westminster, S.W., Thursday, March 13th, 1890.

PRESENT:

SIR MATTHEW WHITE RIDLEY, BART., M.P., IN THE CHAIR.

Lord LINGEN, K.C.B.
Mr. J. CLEGHORN.
Mr. H. L. W. LAWSON, M.P.
Mr. H. WALPOLE, C.B., *Secretary*.

Mr. WILLIAM WARD called and examined.

Mr. W. Ward.
13 Mar. 1890

29,661. (*Chairman.*) You are consul, I believe, at Bordeaux?—Yes.

29,662. Would you be so kind as to inform the Commission what experience you have had as consul, and at what places you have held the appointment?—I began as secretary to the consul-general at Hamburg, where I was about six years; after that I was appointed vice-consul at Memel, in East Prussia, where I was five years; after that I was appointed consul at Bremen, in Germany, where I was nine years; after that I was consul at Portland, Maine, in the United States, for two years; and now I have been consul at Bordeaux, in France, for seven years.

29,663. Therefore, you have had nearly 30 years experience in the consular service?—Yes; but perhaps you will allow me to observe that I have only held the Queen's commission for 24 years. When I was secretary to the consul-general, I had no commission from the Queen.

29,664. Then your consular service dates from your appointment to Memel?—Exactly.

29,665. Perhaps I may ask you generally about the consular service, what suggestions occur to you as recommendations that might be made for the improvement of the service; have you any points upon which you would like to say anything to the Commission?—I do not think there are any improvements to be made in the way consuls are appointed, except that perhaps it would be a great advantage if consuls, before they were definitely appointed, were given about a year's time in the Foreign Office to do their work there, and were then only definitely appointed. It would then be seen by the permanent officials in the Foreign Office whether a man had the general qualifications for holding the post of consul abroad, which now I do not think is sufficiently possible. A vice-consul or a consul is at present very often hardly known to the Secretary of State or to the Foreign Office generally.

29,666. When you were appointed, did you spend any time in the Foreign Office yourself?—I spent about two months there.

29,667. Was there a commercial department in the Foreign Office at that time?—No, there was no commercial department; it was the same as the consular department, as far as I recollect.

29,668. Then you are of opinion, as I understand, that a consul might usefully spend some of the time before he gets his commission in the service, in the commercial department of the Foreign Office?—In the commercial department and in the consular also, because the routine work has to be learnt in the consular department.

29,669. Have you anything to say upon the examination for the appointment to consulships?—I think the examination as at present conducted is, as far as examinations go, all that is necessary. I do not think the qualifications of a consul can be well ascertained merely by examination. I think the special qualifications of a consul can only appear when he reaches his post, after learning, of course, the routine duties.

29,670. Some suggestions have been made to us with reference to introducing some scheme whereby there might be generally more promotion in the consular service. It is said that there is no ladder in the consular service; is that what you have found to be your experience?—Yes, I think that is so. I think it would be of great advantage if there were a ladder, but still I do not see quite how it is to be done, because the various posts require various qualifications, and it is very difficult, in consequence, to have promotion such as there is in other services.

29,671. Then no suggestions occur to you whereby something of that sort might be done?—I am afraid there is no possibility of making a general rule.

29,672. The suggestion has been made that subject to financial considerations, there might be more introduction of gentlemen who, like yourself, have the whole career of a consul before them, that there should be diminution in the number of unpaid consuls, and that more young men should be introduced who are likely to be *consuls de carrière*?—I think the scheme was proposed many years ago, but it was found, I believe, that it would hardly work well in Europe, that is, apart from the East. The number of posts in Europe is very small, and the young men who would have to act as consular pupils would probably have to wait a very long time before they received an appointment, and, on the other hand, they would be a considerable burden to the consul who had them under his supervision. I further do not think that it would do at all to appoint very young men even to vice-consulates; they would, therefore, have to wait a long time before they could be considered fit to hold an independent position, even as vice-consuls.

29,673. Have you considered whether there might be any amalgamation, and, if so, how far there might be some amalgamation between the consular and diplomatic services?—I think that amalgamation might be managed in large ports where the courts reside, and where there are legations. I think that one of the secretaries of legation might possibly hold the post of consul, as is the case at Paris, though that, of course, is an inland town. I think in that way it might be managed in some places, but I do not think the amalgamation generally is advisable, because the duties are very different.

29,674. We have had some evidence as to the practice in the French service. We have been told that young men entering for a career, either as consul or as diplomat, practically have the same kind of training during the time that they are in the French Foreign Office; in the one case, perhaps rather more attention being given to commercial subjects, and in the other to political subjects. We have also been told that it is practically the same class of young men who enter for both services. Have you anything to say upon this practice?—Yes; I think the consequence in the French service is that the consuls care really comparativel ess about commercial subjects than political ones.

29,675. That is a point upon which I was just going to ask your opinion. Having lived in France, what do you think of the effect of that practice of the French Government upon the consular service?—Of course, living in France, I do not come across French consuls; French consuls are naturally in other countries. In Germany I have come across many French consuls—in Bremen there were several. Having seen what they were doing, I certainly think that they cared comparatively little about commercial matters.

29,676. Do you think they were mainly political?—I think so.

Mr. W. Ward.
13 Mar. 1890.

29,677. Your work at Bordeaux, I suppose, is purely commercial?—Not purely; we have duties of other kinds also, and we are to report, if necessary, upon political subjects of any great importance.

29,678. That is under special directions from the embassy at Paris?—Yes; or the Foreign Office.

29,679. What are your relations with the embassy at Paris?—My relations are these: that in any case of reporting anything of importance, whether it is commercial or political, or on any public event, I would send the reports to the Foreign Office through the embassy at Paris, or merely to the embassy.

29,680. Under the general instructions to consuls, I presume. I think that those directions comprise specific orders as to making reports, do they not?—Yes, they do.

29,681. Is it the case that you have now more demands upon you, more requisitions for reports, and for information useful to trade, than you used to have when you first entered the service?—During the last four or five years, I should say, a great many more.

29,682. Do you get a good many communications direct, where you are stationed, from English traders for information?—A great many; I would say at least two every day.

29,683. A great many more than was formerly the case?—A great many more.

29,684. Do you find, after you have prepared reports which have been sent home, and published in the way we know that they are published, that you get many communications from any source with reference to the suggestions and ideas that occur in your reports?—Some, I will not say very many.

29,685. With reference to the age of admission to the service, I believe now it is between 25 and 50, is it not?—Yes, 25 is the minimum.

29,686. Have you any suggestions upon that point, or do you think that limit should be maintained?—I think 25 is the very lowest age that should be allowed. I should rather have it higher than lower.

29,687. What do you say about the suggestion that there might be more consuls-general, or more commercial attachés. Look at the position of Mr. Crowe, of Paris; what effect has that upon the consular service generally. Does his appointment help the consuls in France?—I think that having the commercial attaché in Paris helps us, and we help him. If he wants information upon France in general, he collects it from the consuls in the various parts of France, and can report it in that way, but the help is more to the embassy than to the consulates.

29,688. Does the commercial attaché go round much; have you seen him in Bordeaux?—I have seen him once in Bordeaux since I have been there.

29,689. Of course he has the whole of Europe, except Russia, to attend to?—Yes, but of course, being in France, his eye is chiefly upon France; it cannot be otherwise.

29,690. From your experience in the consular service generally, do you think there is any truth in the statement that the service is rather at a standstill; that a man has hardly sufficient inducements to do exceptionally meritorious work, and that there is a want of encouragement in some way?—I am afraid that is the opinion of most consuls, as far as I know it.

29,691. The suggestion has been made that some personal allowances in some form or other might be put at the disposal of the Foreign Office, for rewarding exceptionally meritorious service on the part of consuls. I suppose you would see no objection to such a proposition?—I should think that would be a very good idea, as it is impossible to promote everybody, and to give to all, the best places; there are so very few of them.

29,692. Do you attach great importance to a consul being kept for some time in a post where he has acquired a special knowledge of the language and of the population, or do you think that more frequent changes might promote the interests of the service?—Our system is a very good one, as far as I can see. Our consuls remain on an average about 10 years at one post. I think the French system of changing so very often is a bad one. I do not think you can become acquainted with the laws and the condition of the country in so short a time.

29,693. Then you do not favour at all any idea of extending or introducing a system whereby men might move from the diplomatic to the consular, and back from the consular to the diplomatic service, as they do in France?—I do not think it would answer well.

29,694. Do you think there might be more grouping of districts, say, that the countries speaking languages founded on the Latin might be formed into one group, in which there should be more recognised promotion according to the importance of the posts?—The number of paid consuls in Europe is so small that I am afraid it would be impossible to group them. When I say Europe it is excepting the East.

29,695. (*Lord Lingen.*) You have served both in Germany and in France as consul?—Yes.

29,696. I suppose you are able to speak both French and German?—Yes.

29,697. It would be almost impossible, I suppose, for a consul to discharge his duty without a tolerably familiar knowledge of the language of the country that he was in?—I think it is quite impossible.

29,698. Do you think that in the appointment of consuls a knowledge of the particular language of the post to which the consul is assigned is sufficiently insisted on at the Foreign Office?—I am really not able to say whether that is so.

29,699. I suppose France itself is just the country in which you would not be able to compare French consuls with English ones?—Not exactly, because we only see the French consuls in other countries.

29,700. Are such French consuls as you have seen in the course of your service, well qualified for their posts, should you say, in point of knowledge of language and knowledge of law?—I think in point of law, certainly, but in point of languages, not so well.

29,701. I rather understood you to say, that although you did not see your way to an amalgamation of the consular and diplomatic services, you yet thought that at some of the more important posts the attachés from the embassy might be employed as consuls; did I hear rightly what you suggested?—I think that what I meant was, that where the legations were situated at large ports, for instance, at Rio de Janeiro, at Lisbon, and other places, the consul might be secretary of legation or the secretary of legation might be consul at the same time.

29,702. I think they have got a consul at Paris, have they not?—Yes.

29,703. Might the consular duty at Paris be undertaken by the ambassador's staff, do you think?—The consul at Paris holds the rank of second secretary of embassy at present.

29,704. In Paris the appointment of consul is held by a diplomatic officer?—The two positions are amalgamated into one, but of course, I may add, the consular duties at Paris are very different from what they would be at a port.

29,705. Now I will come to the question of grading the service, if it can be done so as to recognise length of service and merit. Of course the first objection to that is, that you might have a very highly-paid officer at a comparatively unimportant station if he had remained there long enough. I notice that in France itself, excluding the colonial appointments like Cayenne and Réunion, there are some posts that are better paid than Bordeaux. For instance, Algiers (which we might consider pretty much the same as France) is better paid than Bordeaux, and Marseilles is better paid than Bordeaux, but those seem the only two posts, to take yourself, to which promotion would be open to you in France with any advantage in the consular service?—Exactly, but I should not look upon the fact of being sent to Marseilles as a promotion merely because the salary is higher. Marseilles is a more expensive place and that is the reason the salary is higher, not because the post as consul at Marseilles is more important.

29,706. It is not a more valuable position, you consider?—No.

29,707. The appointment of consul, except in the China service, is entirely a matter of patronage, is not it?—It is, so far as I know.

29,708. And, therefore, if there were no qualifications, as no doubt there are, which examination alone does not test, the public, I suppose, have a right to entertain the opinion that the Foreign Secretary would look to those qualifications which examination does not

test, in naming the candidates who were to be examined?—No doubt.

29,709. Have you any sort of court which you hold at Bordeaux; is there any consular court there?—Only what we call naval courts under the Merchant Shipping Act.

29,710. In case a ship is lost?—In case a ship is lost under suspicious circumstances, and in case of very grave acts of insubordination on the part of the crew of a ship or of the master; but we have no right to hold a court over other British subjects not seamen; that right we only have in the East and in China.

29,711. If a merchant vessel were lost in the Bay of Biscay, would it come before your court to inquire whether there was any blame attached to the master, and whether he should retain his certificate or not, in the same way that such inquiries are made before the Wreck Commissioner in England?—Yes.

29,712. You would have to inquire whether he should retain his certificate or not?—We could suspend or cancel his certificate, and we could pronounce an opinion, and that opinion would be forwarded to the Board of Trade, and action would be taken by the Board of Trade in consequence of the decision of the naval court at Bordeaux.

29,713. If sailors had to be detained in order to give evidence in the case of a ship which came before your court, are you the British officer who would detain those sailors until their evidence had been given?—Yes.

29,714. Would you be able to make them such payments as were necessary, in order to secure their attendance?—I am authorised to do that by the instructions from the Board of Trade in grave cases.

29,715. Would the same be the case in a question of salvage?—Yes, the same would be the case there.

29,716. Have you much of that kind of duty?—No, we have it rarely; during the last six years there has been only one case in which a naval court has been found necessary.

29,717. (*Mr. Cleghorn.*) Might I ask what training a gentleman goes through before he enters upon his duties as a consul, or does he go out to his post without any previous training?—I believe the rule is, that he should work for a certain time at the Foreign Office, in either one department or the other, to learn the routine work—the forms of correspondence, and such matters.

29,718. "A certain time"; how long?—As a rule, I believe it is six months, but it is sometimes shortened; after that, he is sent to his post.

29,719. During that period of training, as we may call it, is there notice taken of how he performs his work; is there a case, as far as you know, of a gentleman being found inefficient after that period of probation?—If he is found inefficient, I am afraid it is too late, because he works at the Foreign Office after having received his appointment. If his qualifications turn out to be less than were expected, I do not see what is to be done, because he is already appointed.

29,720. Nevertheless he goes out to the appointment?—The rule is, that he is first appointed and then does the work. The suggestion I took the liberty to make before, was that it would be better to have the work done first, and then the appointment *definitely* made, if the candidate were found well qualified for it.

29,721. You say your reports were sent through the Embassy at Paris; do your instructions from England come through the same channel?—Not generally; they come direct.

29,722. Do you send reports both to the Foreign Office and to the Board of Trade?—Yes.

29,723. And receive instructions from both?—Yes.

29,724. In your experience at various places, have you observed that the consuls of other nations pay more attention to the trade of their own nations, and are more active and zealous in the promotion of the trade of their own country than our consuls; I keep yourself out of the question?—I have never observed that. I believe in every country the press holds up the consuls of other nations as superior to their own, in order to cause emulation amongst their own consuls; but I do not believe it is a fact that any of the foreign consuls do more than our own consuls.

29,725. Then you think there is no ground for the statement or allegation which has been made, that British trade suffers in comparison with the trades of other countries from any negligence or supineness on the part of the English consuls?—I certainly do not think so.

29,726. (*Mr. Lawson.*) Might I take your own case, and, having heard that you entered the service, or rather passed its threshold, as secretary to the Consul-General at Hamburg, ask you how you obtained your first appointment?—The consul-general at that time was my own father, and that is how I was appointed as secretary in the place of the person who had been secretary before. I held the post of secretary to the consul-general for six years, and I received the appointment of vice-consul after those six years from the Secretary of State for Foreign Affairs.

29,727. You entered the consular service as a career; did you pass an examination before the Civil Service Commissioners, according to the rules?—Yes.

29,728. It was what is called a qualifying examination, was it not?—Yes.

29,729. Is there much difference in the examination now from what it was in your time?—I think it is exactly the same.

29,730. Would you call it a very searching one?—I do not think so; I think it is a very easy one.

29,731. An elementary examination?—Yes.

29,732. I suppose, practically, no man who has had a liberal education would have the least difficulty in passing?—I do not think that he would have any difficulty, except, perhaps, in commercial law.

29,733. Did you obtain your training in commercial law from special teaching?—I did obtain it by special study. I studied myself while I was working as secretary.

29,734. This examination is not always enforced, I believe?—No, it is not always.

29,735. Do not you think it ought to be?—I certainly think so.

29,736. Is it not obvious that patronage without any sort of examination is open to—I do not say it leads to—grave dangers?—I suppose so; but I do not see how the appointment of consuls could be made otherwise than by patronage.

29,737. Do you think there ought to be any difference made between two men, by forcing one man to submit to an examination of this kind on entering the service, and exempting another man?—I do not think there ought to be any difference made.

29,738. You have been really passing your life in a group of countries in Western Europe?—Yes, except two years in the United States, and five years in East Prussia.

29,739. Was that promotion, or did you gain an advantage from going over there?—I gained a higher salary, which in itself, during the time I held it, was perhaps not of more value, because the place where I lived was more expensive; the United States was more expensive than Bremen, so 700*l.* there would be about the same as 500*l.* at Bremen, so it was no promotion; but it would have been of great value to me, as far as the pension regulation goes; that is the only value it had.

29,740. Were you asked to go there, or were you sent there?—I was asked whether I would go there.

29,741. You mean you might have refused without doing yourself any harm?—Yes.

29,742. Did you find it any advantage in complying with the request?—No, I did not, except as regarded my pension.

29,743. What point did you go to in the United States?—Portland—Maine.

29,744. Portland—Maine—is a healthy place?—It is a very healthy place.

29,745. Then there did not come into those considerations the want of healthy surroundings, which sometimes determines salary?—Not at all.

29,746. Coming back to France, was that again your own choice?—Yes, I asked to be sent to Europe, if there was a vacancy, and as soon as one was open at Bordeaux, I was offered it, and, of course, I was glad to accept it, as I wished to come back to Europe.

Mr. W. Ward.

13 Mar. 1890.

29,747. During the whole of your career I suppose you have been writing from time to time special reports?—Yes.

29,748. When those are sent in, is any notice taken of them, to you speaking with regard to yourself, personally?—A certain number of copies of the reports are always sent to each consul, and if they are found to be specially valuable, or especially well written, a letter of commendation is written by the Secretary of State to the consul.

29,749. To you personally?—Yes.

29,750. Then you do not only receive praise from your ambassador or minister?—No, from the Secretary of State himself.

29,751. Do you think that at the present time a consul has sufficient opportunities of distinction?—No, I do not think he has many.

29,752. Is it the case that he very often sends in reports which are of great value, and they are abbreviated or incorporated by the secretary to the embassy, and then sent on to London?—No; the consular reports are published separately.

29,753. I know the regular consular reports are. I am talking of a special inquiry as to labour or tariff, or something of that sort, which is made from time to time in the different countries?—In such cases, if the consul sends a specially valuable report, the ambassador or secretary of legation, or the commercial attaché, will invariably mention the fact.

29,754. Then you have nothing to complain of in that respect?—No.

29,755. Your routine work has been much the same, I suppose, in all your posts; varying in quantity, but not in quality?—Very much the same, excepting that in Bordeaux, for instance, there is a great deal more routine work; that is, giving information to the residents, and there is a great deal more correspondence than there was in Portland; also, and a great deal more than there was in Bremen; that depends entirely upon the amount of trade which goes on, and the size of the port.

29,756. It is mainly shipping business, of course?—Yes, chiefly; but also a great deal of notarial work.

29,757. The whole of the consular fees, I believe, were revised last in 1887, and there has been a large increase; has that increase been attended by any friction in working?—No, not at all.

29,758. You have told us that you are sometimes in the habit of dealing with political questions; do you believe that it would be an advantage if the members of the diplomatic service had some experience of your commercial work?—I think it would be of little advantage.

29,759. You do not think then really that there would be much gained if they had to pass a certain time, or if they were in the habit of passing a certain time, in your branch of the service?—I do not think so.

29,760. The French service, we have heard, is an amalgamated one; do you think by that the French consul secures consideration and position?—No, I have not observed that they are more considered than our own consuls anywhere.

29,761. Although, of course, as a matter of fact now they are constantly transferred to the diplomatic service and the Foreign Office, whereas we know that is not the case in our own service?—Yes, they are constantly transferred.

29,762. You have nothing to complain of in that direction; you do not think that makes any difference?—No, I do not think so.

29,763. The only transfers in the English service have been from the very top?—From the very top; from the diplomatic sometimes to the consular service, that is, to the higher posts.

29,764. Not often, and also from the consular to the diplomatic in one or two instances?—Yes.

29,765. You do not look forward to that, I suppose, in your career?—No, we never look forward to that; it is very unlikely.

29,766. And, unless a consul were particularly lucky, he would have no opportunity for showing any special qualification for diplomatic work, would he?—He would have hardly any opportunities.

29,767. Particularly in such countries as France and Germany?—Exactly.

29,768. Do not you think it would be an advantage for the consuls themselves, and that it would also cause them to show even more zeal than they do in the work, if they had a chance of this sort of promotion?—I do not think it would work well practically because the opportunities of reporting on political or diplomatic matters are too rare.

29,769. Then you are in favour yourself, as a consul, of keeping the two services distinct?—Yes.

29,770. As they are now, in fact?—Yes.

29,771. I suppose you have never traded yourself?—No, I have never traded.

29,772. Do you think our regulation with regard to consuls trading, or rather our prohibition, is strictly enforced in the case of the paid consuls?—So far as I know, it is quite strictly enforced.

29,773. You have not heard complaints of English consuls trading?—Never.

29,774. But I believe sometimes there are complaints made with regard to foreign consuls, are there not?—I have never heard of it.

29,775. Do you think the practice is equally well observed in other services?—I cannot say how strict their regulations are, but I have never heard of the complaints.

29,776. I suppose you have never seen anything of your colleagues in the Turkey and Levant, or the China and Japan services?—I have seen two or three in former times.

29,777. As I understand, you have no suggestion to make in respect to the service, other than those I have heard?—The only suggestion that I would take the liberty to make would be with regard, perhaps, to the pension regulations.

29,778. What do you say about the pensions?—I think it would be a very good plan if there could be a uniform scale of pensions awarded to all the consuls of the superior grades. I do not think it is quite fair that at present a man should have a pension which is calculated according to the salary he receives at the post he quits. A man, for instance, who is made a consul in the United States, and receives, say, 1,000*l.* a year, receives that 1,000*l.* because the United States is an expensive country, whilst a man who is made a consul in Europe would perhaps receive 600*l.* If the man in the United States is pensioned, his pension is calculated upon the 1,000*l.*, but the consul in Europe would have his pension calculated upon the 600*l.* Both would retire to England, but one would have the great advantage of having held the post in the United States for a short number of years, and in consequence would receive a much higher pension than the other, in spite of equal length of service.

29,779. As there is really no grading in the consular service, the salary is not the test that ought to be taken?—I do not think so, altogether.

29,780. It depends so much upon the cost of living, and the conditions of the climate, and everything of that sort?—Yes.

29,781. I understand that you think there ought to be a different system?—I think a different system would work well for the consuls, and also financially.

29,782. What would you suggest?—I would suggest, for instance, as it is at present, that after 10 years the right to pension should begin under certain circumstances with 100*l.* a year, and after the 10 years it should rise, say, 15*l.* a year for every year of service—whether a consul should be pensioned after quitting his last post in the United States, for instance, or in France, or in Germany, it should be the same.

29,783. And that could be done, I suppose, without any increase of the total Vote?—I think it would rather decrease than increase the total Vote, and on the other hand it would give most consuls a better pension, although a few would certainly lose.

29,784. (*Chairman.*) What would you fix as a maximum pension, would you follow the analogy of the Diplomatic Service Pensions Act, in so far that you would have a first class pension—that is to say, a consul who had got to the top of the tree—who was supposed to be a high class consul on full service, would receive a maximum pension. Do I understand you to mean that, supposing he left the service from America, or from France, or Belgium, or wherever it was, being understood to be a consul in the highest position

among consuls, he would receive a fixed sum; is that your idea?—I would not have a fixed sum, I would have it rise according to length of service.

29,785. Entirely irrespective of the amount of the salary, but based upon the length of service only?—Yes, I would have it rise by 15*l.* a year.

29,786. (*Mr. Cleghorn.*) What is the age at which a gentleman may now retire and claim a pension?—I believe he is obliged to retire at 70, but he has a right to retire at 65.

29,787. (*Mr. Lawson.*) You have seen, of course, the qualification of consuls in the foreign services: do you believe that the Germans and Russians are very far superior to us in point of linguistic acquirements?—In point of linguistic acquirements I think they are; the Russians doubtless—the Russians have a talent for languages quite inapproachable by any other nation.

29,788. Do you think our consuls are sufficiently qualified in that way?—I think, as a rule, pretty well.

29,789. Would you make the examination more stringent in respect of languages?—I do not think so. I think, so far as my own examination went, that a good deal was required in the way of languages.

29,790. What did you have to pass in?—In French and German.

29,791. Is that usual?—It depends upon the post to which you are appointed; you are supposed to know the language of the post to which you are appointed. A knowledge of French is required generally, and as I was appointed to a post in Germany, I was also required to pass in German.

29,792. (*Chairman.*) I think it is the case that all consular fees now taken are paid into the Government funds, is not it?—Yes, everywhere.

29,793. There is no exception to that rule?—There is no exception at all.

29,794. I think you alluded to the provisions in the Pension Acts which give extra allowances for unhealthy climates; are those provisions, so far as you know, satisfactory?—I believe so.

29,795. (*Mr. Lawson.*) In dealing with unpaid consuls, have you always found that they are ready to help you to the extent which you require?—Generally, yes.

29,796. Sufficiently?—Generally, yes. I have known exceptions.

29,797. (*Chairman.*) Would you be for extending the system of unpaid consuls?—I do not think so.

29,798. That was a recommendation of a committee of the House of Commons in 1872. You would not extend the employment of residents, whether natives or Englishmen, as unpaid officials?—No, I do not think so.

29,799. (*Mr. Lawson.*) Of course they do not give the same amount of work, and they do not take the same trouble about a report?—It is impossible that they should take the same interest.

29,800. (*Chairman.*) Does any other point occur to you, because we should be very happy to hear any suggestion that you can make for improving the service?—I do not think there is any other suggestion I could make, except one which perhaps hardly comes within the scope of this Commission; that is, that I should not be for giving the honorary title of consul, and consul-general more especially, to any trading foreigner. I think it takes away from the distinction of the title: that several trading consuls-general in Europe have that rank given as a mere title.

29,801. How would you avoid doing that?—I should certainly not give them the highest consular title which exists.

29,802. (*Mr. Lawson.*) That of consul-general, you mean?—Yes.

29,803. (*Chairman.*) Do you think there ought to be a real distinction between the actual paid English consul-general or consul holding the proper position of consul and the honorary title of the foreigner holding the position of unpaid consul?—Yes.

29,804. (*Mr. Lawson.*) Would you say that the unpaid men ought to be vice-consuls?—Yes I think they ought to be vice-consuls.

The witness withdrew

Mr. Frank Mowatt, C.B., recalled; further examined.

29,805. (*Chairman.*) There are a few points upon which the Commission would like to examine you with reference to the working of the Diplomatic Pensions Act; it differs materially, does it not, from the ordinary Civil Service Act?—Yes.

29,806. It differs in that there are first, second, third, and fourth class pensions fixed in that Act?—The amounts of the several classes of pension are not actually fixed, the words are "not exceeding the following amounts."

29,807. Perhaps I had better ask you generally whether in the working of this Act which, of course, is administered by the Treasury on the recommendation of the Secretary of State for Foreign Affairs, the Treasury have any suggestions to make for improving the Act?—Until 1886 the Treasury read that 6th section so that "not exceeding" meant the maximum, and that has not been questioned as regards the first three classes of pensions. As regards the fourth class of pensions the Treasury questioned it a few years ago, and the Secretary of State expressed his willingness on the next vacancy to consider with the Treasury what modification could be made, or in what way we should read the "not exceeding." You will observe that the requirements or the qualifications for a pension are laid down in the 7th section, and that as regards the fourth class they are, that the service shall have been at least 15 years from the date of the first commission, and that the officer should have served continuously in some foreign state or states for the aggregate of 10 years. No requirement is included that he should be either 60 years of age or that he should be incapable from the state of his bodily health from continuing his duties. The Treasury thought that where a medical certificate was not produced, that is to say, where the officer withdrew from the service from considerations private to himself, the maximum should not be awarded to him.

29,808. How has that been ultimately decided. Has it been held that the Act enables the Treasury to do that?—Yes; and the Secretary of State has expressed his willingness to consider with the Treasury what modifications or what reduction from the maximum shall be made in the case of officers qualified for the fourth-class pension who do not retire on a medical certificate or on the ground of age.

29,809. I think there is no medical certificate required for a third-class pension, and that there is no stipulation as to age?—No.

29,810. Is it the case that in the lower branches of the diplomatic service the salaries are low, and that, practically, that is made up to those who do not attain the higher ranks by a pension being given on easier terms than on the higher scale?—Yes, I believe so.

29,811. I do not know whether it would be a fair question to ask you, whether from the Treasury point of view you think that that is a satisfactory state of things?—Answering from the Treasury point of view, not a satisfactory state of things.

29,812. Are there instances of the Treasury refusing a fourth-class pension, or is it practically merely limited to the question of amount?—It has been limited to the question of amount. I should, perhaps, add that the Treasury has not questioned the amount in cases where a medical certificate has been produced, they have only questioned the amount of the pension in cases in which the officer has retired for reasons personal to himself.

29,813. (*Mr. Lawson.*) What sort of medical certificate?—That he is incapable from the state of his bodily or mental health to continue in the performance of the duties of his office.

29,814. From any licensed practitioner?—Yes.

29,815. We have had some evidence that the pension of a first secretary does not seem to be specially provided for, is that the case?—He comes under the fourth class pension; he is a person in the diplomatic service, and he fulfils the conditions required to qualify for a fourth-class pension.

Mr. F. Mowatt, C.B.

13 Mar. 1890.

29,816. Then I do not quite understand why he should not appear in clause 8 of the Pension Act, which runs: "Where a person holding a commission as "second or third secretary in Her Majesty's Diplo- "matic service, and having served in such capacities, "or one of them, for a period of not less than five "years," and so on; why does not the first secretary appear in that section?—I have understood that that was because of the small salaries of the second and third secretaries, and this section is limited to "infirmity of mind or body"; therefore, if retired at all, they are retired at a low salary and after a short service. This section insures to them a higher rate of pension than the ordinary Civil Service scale in consequence.

29,817. A period of five years being the time after which they can get a pension instead of 10 years in the ordinary service, the pension being reckoned by one-thirtieth instead of by one-sixtieth?—Yes.

29,818. That is an advantage given, in your opinion, to the second and third secretaries on retiring, because of the extreme lowness of their salary, at all events that is one reason?—Because of their salaries being lower than they would have been in the Civil Service.

29,819. (*Lord Lingen.*) For the same relative rank?—Yes.

29,820. (*Chairman.*) In the working generally of this Act, looking at it from a Treasury point of view, have you any suggestions to make for improving it or altering it in any way?—I think in pensions of the fourth class a medical certificate should be required. When a man is performing what may be called ordinary administrative duties, I think he should only be allowed to retire either from age or under medical certificate—speaking still from a Treasury point of view.

29,821. Would you confine that to the fourth-class pension?—I think there are possibly other considerations affecting men who are actually *chargés d'affaires* who are themselves responsible for the conduct of diplomatic relations between two countries.

29,822. Other considerations, some in the case of a person being "an envoy extraordinary and minister "plenipotentiary on admission of the second class, or a "minister plenipotentiary, or a minister resident, or a "*chargé d'affaires* and consul-general," and so on; but in the fourth class, I understand you to be of opinion that it might be proper to introduce a limit of age or to insist upon a medical certificate before it could be granted?—Yes.

29,823. What would you say to a proposal to take the fourth-class pension away altogether and to let clause 8 include first, second, and third secretaries, who do not come under the qualifications of sub-section 4 of clause 7, and to let that clause 8 on medical certificate, and so on, meet the case of pensions below the rank of a third-class pension—would not that be very much in the direction of what you have been suggesting?—Yes.

29,824. It probably would be necessary to add the qualification of age also to the first secretary if you brought him under clause 8, would it not?—Yes, the alternative of age could hardly occur in the case of a second or a third-class secretary.

29,825. But it might presumably occur in the case of a first secretary?—Yes.

29,826. (*Lord Lingen.*) What would be the shortest term of service for which a person could get a pension in the fourth class without a medical certificate?—15 years from the date of his having received his first commission, and he receives his first commission, I believe, about two years after he is appointed as an attaché.

29,827. Practically, in how many years would that be?—Practically, in 17 years.

29,828. After 17 years, I suppose, he might be a gentleman barely 40 years of age and that he conceivably might retire on 700*l.* a year although his health was in no degree broken down?—Subject to the exercise of the power of discretion by the Treasury, which Secretary of State has now agreed to recognise.

29,829. The words "not exceeding" would control all those pensions, according to the merits of the case?—Yes. I had better read, perhaps, the sentence of the Secretary of State in writing on the subject. The Treasury, in a letter of the 21st of December 1885, in assenting to award the maximum in a case then before them for the fourth class wrote that "this concession "must be upon the understanding that Lord Salisbury "agrees with them that the full pension is excessive "unless earned by a sufficient length of service, and "that a more reasonable rate is to be adopted in "concert between the two departments in all future "cases. With that view, my Lords must ask that "before the final grant of a pension is made to this "gentleman they may secure Lord Salisbury's assent "to the proposed arrangement in pursuance of it."

29,830. What would the proposed arrangement exactly be?—That a scale should be settled between the two departments. The Foreign Office letter in reply, dated the 31st of December 1885, says, "I am to express his "Lordship's satisfaction at their Lordship's decision. "Lord Salisbury finds no difficulty in assenting to the "condition on which the grant is made, and on this "point I am to remind you that in a previous letter, it "was stated that the question of amount was one "which the Secretary of State was quite willing to "re-consider with the assistance of the Treasury."

29,831. Does that extend to pensions of all these classes?—No, it was with reference to pensions of the fourth class.

29,832. Referring now to the 8th section, which allows retirement on medical certificate at the end of five years and the pension being reckoned by one-thirtieths, have there been many cases under that section brought before the notice of the Treasury?—No, very few.

29,833. Do you happen to know whether in any particular case it appeared that a man had suffered from sudden transference from hot countries to cold ones, or from a position in an unhealthy climate?—Not in any case under section 8.

29,834. Would the Treasury under section 8 consider that the infirmity of mind or body primarily ought to have been incurred under conditions peculiar to this service, or would any illness do?—Any illness which disqualified.

29,835. No question would be raised, for instance, such as — an ordinary civil servant might have suffered from this illness?—No.

29,836. (*Mr. Lawson.*) Following up Lord Lingen's question, I would like to ask you whether this "capacity" has been read to be absolute, or only in reference to a particular place or climate?—To a particular class of climates. An argument has arisen on that. The Secretary of State has had to say to the Treasury, a particular officer whom I propose to appoint, say, to Japan, is not capable of going to that climate, and a medical certificate has been produced that he could not perform his duties in that climate; on its being suggested that he might be employed nearer home, the answer has been that there is no suitable place in which he can be employed nearer home, there is no place open for him, and he is consequently disqualified for the farther performance of his duties.

29,837. (*Lord Lingen.*) Has it been suggested that he might be put on half pay or held in reserve?—That is met by a section which enables a man to be recalled to the service.

29,838. (*Mr. Lawson.*) Do you mean section 11?—Yes.

29,839. (*Lord Lingen.*) Has that ever been resorted to within your experience in the diplomatic service?—Yes.

29,840. A pensioned officer has been recalled?—Yes.

29,841. (*Mr. Lawson.*) Has it been done as a matter of practice?—I could hardly say; the Treasury would not know.

29,842. You said you had known a case, but I want to know whether that case was exceptional?—I could not say that.

29,843. Has it been suggested that this eighth clause has ever been abused in the way that we have heard has been the case under somewhat similar circumstances in other parts of the Civil Service?—Not within my knowledge.

29,844. I asked that because I thought perhaps that the disqualification from infirmity of mind or body might have been used for getting rid of incompetent servants?—Of course that is possible, but, practically, it is not possible for the Treasury to go behind a qualified medical certificate.

29,845. Have you any reason to believe that that has been done?—I could not say that.

29,846. In the case of these general pension regulations have instances come under your notice where men have been shelved without actual disqualification on the ground of health or age?—We have had to award the fourth-class pensions to gentlemen who did not ask to be retired on the ground of health or age.

29,847. How did they fall under the Act?—The sixth section does not require a medical certificate; a medical certificate is only required in the eighth section, and only for a particular class of person, namely, the second and third secretaries.

29,848. I understood, I am bound to say, that where health was not questioned, then it was a matter of age?—No, except under that 8th section.

29,849. Then, as a matter of fact, at any time after the 15 years' service a man can be retired on a pension according to the different classes?—Yes.

29,850. Are men constantly retired, or are they often retired without ill-health, and before they have become disqualified from age?—Not frequently, but there have been several cases in my own experience.

29,851. Do you think that that is an advantageous thing to the State?—Speaking from a Treasury point of view, as I said, not advantageous.

29,852. You have said that you have known the 11th clause, which deals with the forfeiture of pension on refusal to serve again, put into force?—I have known a man recalled to the service under that section.

29,853. That is to say, he had to come back under a sort of compulsion?—I could not say whether compulsion was used, but he did, as a matter of fact, return.

29,854. I can conceive an instance in which, for special service, a man was wanted, but that the terms may have been so advantageous that he would have come back without any reference to the section?—The Treasury, in making the award in the case of which I am thinking, expressed a hope that the retiring officer would be recalled to the service on the first suitable vacancy. The Secretary of State wrote back to say that that was his full intention, and immediately afterwards—I think within a year afterwards—he was recalled.

29,855. I suppose there have been cases where men have been retired on certificates of ill-health, which very often must be of rather a flimsy character, or which anyhow did not apply for more than a limited time; and it is quite conceivable that such men may have been found working in the city, or elsewhere?—Are you speaking now of the diplomatic service?

29,856. Strictly of the diplomatic service?—I have no official knowledge of such a case.

29,857. If such a case occurred whose duty would it be to recall the man, or to give him an opportunity of further service?—I presume the Secretary of State's.

29,858. But he is under no obligation?—Not that I am aware of.

29,859. Do you think there ought to be in the case of these diplomatic officers on pension any periodic certificates?—I have not much faith, personally, in medical certificates.

29,860. I should like to understand Clause 13, "Determination of Class of Missions." I take that to mean that a mission may be withdrawn or abolished without the assent of Parliament under these conditions?—No. I read it as saying that the Secretary of State may determine to which class of mission some particular embassy may belong, that he might raise it to the rank of a first class, or reduce it to the rank of a third class mission.

29,861. How does that affect the pension rights of the man who is filling the post for the time being? Take the case of Spain; the embassy in Madrid was restored only the other day, and took the place of legation there; how would that affect Sir Clare Ford, who is the ambassador?—If it were raised to the first class he would fall under the third sub-section of section 7.

29,862. It is raised from the third to the second, I fancy; that is to say, it is now an embassy, it is no longer a mission at all in the technical sense?—Then he is raised to the second sub-section.

29,863. He would get the benefit of that?—He would get the benefit of that if he served after it was raised.

29,864. Of course there is no difference, excepting in point of etiquette and title. I mean to say that the duties are probably the same now as they were years ago; as in a case like that there is not likely to be any special change. My point is, that the person filling the post gets an advantage without any change in the nature of his work?—It would depend upon the grounds on which the mission were changed; it might possibly be that the work became more important, and required a man of higher qualifications.

29,865. We have had evidence with regard to the pension regulations with respect to the consuls; their pensions are upon the ordinary Civil Service scale, I believe?—Yes.

29,866-7. To-day it has been suggested to us that that is unfair on the service in one respect, namely, that there is no grading in the consular service, and that salary is no index to service, because it depends upon the cost of living, and the conditions of climate in different countries to a great extent; have you anything to say upon that?—The conditions of climate have been met by an arrangement that in certain climates scheduled as unhealthy, two years' service shall count for three.

29,868. Yes, but even without their being actually unhealthy a man may look upon it as more advantageous to serve in France than in the southern portions of the United States, which may not possibly be looked upon so favourably?—I do not think it would be possible to modify the superannuation scale as to meet that.

29,869. Of course it is obvious in most of the principal places in the United States that the cost of living is greater than it is in France or Germany?—Then, I presume, the salary is fixed in view of that.

29,870. It is, but then the salary at both posts may be just as good, but the post in Europe may be looked upon as rather better than the post in America?—That may be so, no doubt; it would be extremely difficult to take that into consideration in calculating a pension, I think.

29,871. It seems to me that there is some unfairness in applying our own Civil Service system to the consular service, for the reason that there is no regular grading in the consular service?—But in many offices of the permanent Civil Service there is no grading either. You appoint a man to a salary which does not vary; a man is appointed Commissioner of Customs, for instance; there is no grading in that, and he may be appointed from outside the service.

29,872. To take that case again with regard to the difference in the cost of living, do you think that the pension ought to have any relation to that?—Yes, in the abstract, and if salary proper could be distinguished from cost of living.

29,873. A consul who was here to-day said that he believed you ought to give a certain fixed increment—a pension right for each year's service; he thought that would be cheaper—anyhow not more expensive—in the end than the present system?—In respect of the amount of salary?

29,874. Without counting the amount of the salary—that it ought to depend entirely upon the length of service in the consular branch?—But you must accept the salary as the unit on which you are to base your calculation.

29,875. What is the total amount of the Vote for the diplomatic and consular pensions separately?—Once every three years it is given in detail, and I think it will appear this year. On page 470 of the Estimates you will see that it is about 24,000*l.* for the diplomatic service.

29,876. That includes compensation and compassionate allowances?—Yes, if you carry it on to the total you will find that it comes out 223,894*l.* The compensation and compassionate allowances are very small.

29,877. (*Chairman.*) Would you refer to page 261 of the Foreign Office list; 24 persons are given there as receiving the pensions, and the pensions themselves amount to about 26,000*l.*, whereas in the Estimates the number of persons in receipt of pensions is given at 34, and the total is 23,000*l.*?—Yes; but there are some survivals from the time when the diplomatic pensions were charged upon the Consolidated Fund. If you

Mr. F. Mowatt, C.B.

13 Mar. 1890.

look at the bottom of page 425 you will see "Consolidated Fund, 3,300*l.*"

29,878. That does not quite account for the difference in the number of person receiving pensions?—I think you will find that there are some small compassionate allowances which are not mentioned in the Foreign Office list.

29,878*a*. Are the diplomatic pension rates more or less favourable to the retiring officer than the rates for the Civil Service generally?—The present charge for the salaries of the diplomatic service is about 175,000*l.*, and for the pensions about 23,000*l.*; equivalent to rather more than 13 per cent. of the salaries; which is less by three per cent. than the normal rate in the permanent Civil Service. But in order to make a fair comparison between the two services it should be remembered that in the upper grades of the diplomatic service the salaries are abnormally high, as they represent, not only remuneration, but a great deal of out-of-pocket expenditure on entertainment and "frais de représentation." There are 10 salaries on the list of 5,000*l.* per annum and upwards, and 16 ranging between 2,000 and 5,000*l.* To make a fair comparison with the Civil Service it would be necessary to reduce the above-mentioned sum of 175,000*l.* by about 60,000*l.*, and the pension charge would then represent about 20 per cent. of the salary list. On the other hand, the salaries in the lower grades of the service are exceptionally low. There are usually eight or nine attachés who serve for two years without any salary; there are 21 third secretaries with fixed salaries of 150*l.*, and 32 second secretaries with salaries rising from 300*l.* to 450*l.*, and the latter sum may be taken to be the average salary attainable after from 15 to 18 years service. The first class diplomatic pension (1,700*l.*) may be taken to represent the maximum pension obtainable in the highest ranks of the Civil Service after 40 years service. The second class pension represents the next grade in the Civil Service, with salaries of from 1,500*l.* to 1,800*l.* per annum; and the third class pension is about equivalent to what can be obtained by a civil servant who does not reach the highest offices. The average diplomatic pension may therefore be taken to be practically equivalent to that obtainable by a civil servant of corresponding rank; the percentage of pension as compared with salary being rather higher in the diplomatic service on account of the larger proportion of very highly paid places.

29,879. It is perfectly clear, is it not, under the Act that there is no age at which a diplomatic servant can claim to retire upon a pension without a medical certificate?—He cannot be recalled if he is over 60 years of age; that is the only limit I know. You will find in section 11 that his pension is forfeited if he refuses when required to proceed to any mission unless he has attained the age of 60, or is incapacitated; that, perhaps, indirectly recognises 60 years.

29,880. Do not you think that it might be desirable to give an opportunity or a right to retire at 60, or whatever age might be fixed, in the same way as it is in the Civil Service?—I should say so.

29,881. Can you not conceive that there may be reasons in which it may be for the advantage of the service that a man might claim his right to retire at that age?—I think so, certainly.

29,882. Does it occur to you that there are any special reasons affecting the diplomatic service which in that respect could render it different from the ordinary Civil Service?—No.

29,883. Is there anything else that occurs to you from the Treasury point of view which you might suggest to the Commission?—No, I think not.

The witness withdrew.

Mr. Frederick S. A. Bourne called and examined.

Mr. F. S. A. Bourne.

29,884. (*Chairman.*) I think you are acting consul on the Chinese coast?—Yes, at Tamsui, in the north of Formosa.

29,885. The Commission have taken advantage of your being at home to ask you to come and give evidence upon the consulates in that part of the world. I think you yourself joined the service as a student interpreter?—Yes.

29,886. Having been formerly in the War Office, I believe?—Yes.

29,887. Your service is constituted entirely differently from any other branch of the consular service?—Yes, it differs essentially in this way, that British subjects living in China are subject to British law, and consuls in China have to administer British law, whereas consuls on the continent of Europe have nothing to do with the law, the law under which British subjects are living in Europe being the law of the country in which they live.

29,888. Do the student interpreters who enter the service have a special examination in law, or does a special examination follow?—Law is one of the subjects in which they are examined. When they come home on leave for the first time they are granted an extra year's leave in consideration of their entering an inn of court and reading law with a view to being called to the bar, and on their second term of leave they can make up their 12 terms and be called. During the first term of leave they have to be examined by the Civil Service Commissioners in mercantile law, and international law, and criminal law.

29,889. How long has this system been going on?—I think the system of open competition began in 1872, but the same system has been followed since about 1860, except that from 1860 to 1872 the competition was limited to those nominated by the universities. Since 1872 it has been open.

29,890. With reference to the special knowledge of the languages of China, Japan, and Siam, are those languages to be acquired subsequent to the preliminary examination, or are you examined in the first instance in those languages?—No, we are examined in England in ordinary subjects, classics and mathematics, and so on. We are then sent to Pekin, where we read Chinese for two years in the legation.

29,891. I am aware of that, but is there no examination at all in Chinese in the first instance?—There is no examination in Chinese in the first instance; that was found to be a great mistake; it cannot be taught in this country.

29,892. Then upon passing the preliminary examination, which, I suppose, is a competitive examination——?—Yes.

29,893. You go to Pekin as a student interpreter for two years?—Yes.

29,894. That system has been copied, has it not, in the Levant?—It has.

29,895. Then after passing that examination you become what is called an assistant?—Soon after passing that examination, when there is a vacancy in the service. There are a certain number of assistants, and one has to wait until there is a vacancy for promotion to the post of assistant.

29,896. Are your duties at all political, or are they entirely commercial?—They are both political and commercial. At a Chinese port the only man who can communicate with the officials is the consul. The merchants, if they are not able to recover their debts, can sue only through the consul; they cannot apply themselves to the Chinese authorities. But the consul's chief political duty is holding the Chinese authorities up to the treaties.

29,897. Then the first rank after student interpreter is assistant, and then from that rank, when there is a vacancy, they become vice-consuls, and then consuls?—Yes.

29,898. What is the relation of your general body which has this familiarity with the language, and so forth, with our diplomatic service in China?—The consular service is subordinate to the diplomatic service. The diplomatic service is not represented in China, except, of course, in Pekin, where there is a minister and secretary of legation, and, perhaps, a second secretary. There are three men in China who belong to the diplomatic service.

29,899. Are there any members of your body attached to the legation at Pekin?—Yes, there is the Chinese secretary and an assistant Chinese secretary, who are interpreters to the minister, and who translate and

advise him as to Chinese relations and as to what is going on amongst the Chinese, the minister usually not being acquainted with the language of the country.

29,900. The assistant Chinese secretary, I see from the Estimates, has 700*l.*?—Yes, he has.

29,901. And the Chinese secretary has 800*l.* a year?—Yes.

29,902. Both being members of your body?—Yes.

29,903. The Chinese secretary appears on the ordinary diplomatic service vote, but the assistant Chinese secretary appears in your distinct consular service vote, although both, as you say, are members of your body?—Yes.

29,904. We have been told generally, and I believe it is the case, that this service is a very satisfactory service: have you any suggestions to make with reference to it for its improvement?—The only suggestion I have to make is that at present there is an absolute block in promotion; it is almost hopeless for those who are the juniors in the service.

29,905. There are not many prizes in it, I should suppose?—There are a certain number of good appointments in it, but the promotion is so very slow.

29,906. I am afraid that is not an uncommon calamity, is it?—I am afraid not.

29,907. Are there any suggestions that occur to you whereby that position of affairs might be improved?—I think that after a certain number of years, say five years, with the recommendation of the minister, a student interpreter might be made a second assistant; and that after, say 10 years, with the recommendation of the minister, a second assistant might be made a first assistant, and that the appointments that are filled at present by acting men—where there is a substantive post, and where there is a necessity for a representative as there is in Corea—that those should be made substantive posts. At present, these posts are acting posts, and that is really a great grievance to men who went out to China in the expectation that where there was work to do there would be a post created.

29,908. You mean that there are some posts, such as Corea, where there are acting consuls or acting vice-consuls?—Yes, there are two posts in Corea, and there is a post in the south of China, at Macao, and I think there are two or three others in which a substantive appointment has never been made. Nobody is really a consul at the place, nobody has a commission from the Queen as consul or as vice-consul, but an assistant is put into the place to act, and given an allowance. That is a very unsatisfactory state of things, both to the men, and, I believe, to the work, because it is nobody's particular business to do this work, and men are transferred there just as it happens to be convenient. If there is a necessity, as there has been in Corea during the last five years, for a consul-general and for two or three assistants, in fairness to the men employed in China those should be made substantive appointments, and men should be appointed to them. But to these appointments nobody has ever been appointed, they depute an assistant to go there and act as consul-general, or a consul to go there and act as consul-general. It is easy to understand that where there is an officer who has a substantive appointment he may be ill, or he may be at home on leave, and there must be someone to replace him; but where it has been necessary for years (in the case of Corea now I think nearly 10 years), to have two or three men permanently in the country representing Great Britain with a consul-general (and as the minister resides in Pekin, the consul-general in Corea has to do the whole work of the country), it does not seem satisfactory either from the point of view of the man employed there, or from the point of view of the Government, that that man should always be a man whose post is somewhere else, and who is simply put there *pro tem.* to fulfil those functions.

29,909. Are there many places of that kind on what I may call the Chinese coast?—There are two appointments in Corea, and there is one in Macao; there is one in Shanghai, the shipping vice-consul in Shanghai, and there is one in Canton.

29,910. These are, you say, practically permanent posts which ought to be filled by vice-consuls?—By consul-general, consul, or vice-consul, as the case may be.

29,911. Not by an assistant receiving a temporary allowance?—Not by an assistant receiving a temporary allowance, but by an officer who holds a commission as consul or vice-consul, as the case may be, at that port.

29,912. An assistant does not hold a commission?—He holds no commission.

29,913. Commissions begin at the rank of vice-consul?—Yes.

29,914. And the pay of vice-consul begins at 600*l.*?—That is so.

29,915. And is the highest assistant 400*l.*?—Yes.

29,916. (*Lord Lingen.*) I suppose the assistants count for pension, do not they?—Yes, they do.

29,917. (*Chairman.*) Is there a separate Act for pensions under which you come?—I think we come under the Unhealthy Pensions Act.

29,918. You mean you come under the ordinary Act with an addition of two years of service counting for three?—Yes; if I might make a suggestion I would say that in my opinion, and in the opinion, I think, of most men employed in China, the work that is done by the consular service is not fairly recognised as work done by consuls in other places, and as work done by the diplomatic service is recognised. We live very far from England, and there are very few people in England who take any interest in what is going on in those countries. We have important work to do, and generally no recognition whatever of it is made, and it is very disheartening in the case of many good men, some of whom I could mention. The result has been that they have been driven from the service; they have no public to appeal to; it would not be at all consistent with their duties to appeal to a public; but their interests are, I think, scarcely fairly regarded. I may instance that in the case of distinction of any sort, no distinction of any sort has been granted to a member of the Chinese consular service since Sir Thomas Wade was made C.B., I think, in 1862. In the meantime the work has been done by men who have done their best, and whose work, I think, will stand comparison with other work for which distinctions are given. Although I am only a junior myself, and perhaps, should not say anything about it, I think that there are men who have left China, who are 20 years senior to me, whose work should have been recognised more than it has been.

29,919. I am not sure that you are perfectly right as to the number of public servants of that class who have been rewarded; was not Sir Robert Hart rewarded?—Sir Robert Hart did not belong to the service; he has been in the service of the Chinese Government for the last 20 or 30 years.

29,920. Is it part of your duty to write reports?—It is.

29,921. I think you have said that yours is the only service in which the English subjects resident in your district are under English law, which it is your duty to administer?—That is so in Siam and in Japan, and I think in the Levant to some extent.

29,922. Is there any other suggestion which occurs to you, if so, we should be very glad to have it?—No, I think there is not.

29,923. (*Lord Lingen.*) I understood you to say that the want of the service was rather the want of recognition than that they were insufficiently paid?—The want of recognition I meant to apply only to those who had served 20 or 30 years, who are old men in the service there, but in the case of the juniors it is quite different. What I said was that there is quite a block in the promotion, and that something should be done to relieve the present under-scale of pay in the lower ranks of the service, amongst the assistants and the students. There are student interpreters who, I believe, have been in the service for over 10 years, who have never been promoted at all.

29,924. Who have still remained as assistants?—No, as student interpreters—the lower rank. I am a second-class assistant, but I have received no promotion for 10 years.

29,925. Is the student interpreter the next rank in the consular grade in China?—Yes; recruits go out as student interpreters to learn the language in Pekin.

29,926. These student interpreters when they get out to China are all employed under seniors, are not they. They are not sent at large themselves?—No; they are employed, after leaving Pekin, as acting assistants to consuls in the ports.

Mr. F. S. A. Bourne.

13 Mar. 1890.

29,927. When a man gets into the second class of assistants, which is 350*l.* a year, with 400*l.* in the next class, that, as the Civil Service goes, is not very insufficient pay, and then you have got above that 22 (I make it) consuls and vice-consuls, going from 600*l.* up to 1,500*l.* a year; do not those places make a pretty good career for men to look to?—Yes, they do. The trouble is not, in my opinion, that the 22 or the 24 substantive posts of consul are not sufficiently paid. I do not complain that those posts are not sufficiently paid, but that the promotion in the lower grades of the service amongst the assistants and the student interpreters is so slow, that a man, as things go now, may become old and useless almost before he is likely to get a permanent post. It has only been so for a few years—for the last 10 years. Before that there was nothing whatever to complain of. What I say, I do not say so much for myself as for men who are junior to me. I have nothing to complain of myself, but amongst men who joined the service four or six years after I did, there has been an absolute block in that direction for 10 or 12 years.

29,928. Is not that due to a circumstance that happens to all new offices, namely, that the first men who get in are pretty much of an age, and, therefore, there is a great block of promotion, but after a time will not these consulships and vice-consulships become vacant more frequently?—I should think they will.

29,929. So that we have only to deal, so far as this charge is well founded, with a temporary state of things. If we take 16 interpreters and 12 second-class assistants, that makes 28, and 9 first-class assistants, 37; then we have got 37 in those lower ranks, and we have got 22 appointments going from 600*l.* up to 1,500*l.* If we measure that service by any ordinary rules, that is a pretty good career open to men if the men in the better paid places were not so near to the junior ones in age?—Yes, but if you could propose some measure of relief to the student interpreters for the time being, such as that a shorter term of years, say five years good service, approved by the minister, should make them competent to be promoted after those five years without there being a vacancy to the next rank, I think the grievance amongst the juniors in the service would be relieved.

29,930. Your suggestion would be that after a certain amount of good service as a student interpreter a man should be promotable on the recommendation of his superiors to the second class of assistants?—Exactly, and that from the second class of assistants in the same way after a further period of good service, approved by his superiors, he should be promoted to first assistant, and after that he should take his chance.

29,931. And that might probably be regarded as merely a temporary arrangement until the ages had better adapted themselves to the service?—I think so.

29,932. (*Mr. Cleghorn.*) There is a note in the Estimates, page 451, to this effect:—"A student interpreter, after "passing successfully through his probationary period "at Pekin receives a salary not exceeding 300*l.* a "year on being appointed temporarily as assistant "in one of Her Majesty's consulates in China. This "salary becomes permanent after five years' service"?—That is the rule at present.

29,933. So that a student interpreter has the chance, almost a certainty, I suppose, of rising to 300*l.* a year permanently?—Yes.

29,933*a*. (*Lord Lingen.*) How many have you got at Pekin?—I think in Pekin at the present time there are four or five student interpreters, but in the south of China there must be 10 or 12 who are acting as second assistants in consulates.

29,934 (*Mr. Cleghorn.*) Are the vacancies in the consulates and vice-consulates always filled up by assistants?—Yes, they are.

29,935. Then the higher paid consulates—say the consulate at Amoy—which is 1,000*l.* a year, would be filled up by a consul at a lower paid place?—Exactly.

29,936. There would be nobody brought in from the outside?—No, nobody has been brought in from the outside for years, except to judicial appointments in the Supreme Court.

29,937. There is a certainty then when a vacancy occurs in a higher paid post, that a lower paid man will succeed?—Yes.

29,938. Then would not the block that you talk of, which exists at present, be cured by not appointing so many of those student interpreters?—I do not think it would be cured, because, as Lord Lingen said, the men are of one age. Those eight or ten men entered together, and for those particular men who are junior at present, it would not be cured, because the men who are senior to them, who are all of an age will, in the ordinary course of things, we will say, be 30 years in China on service, and until that 30 years is passed, the other men who may be only two or three years junior to them will not have a chance of promotion.

29,939. That would be met by sending out fewer men for the time being, at all events until those men have a chance to run up?—As regards those 10 men, individually it would not do good in the least, because the other men who would be appointed would be below them. The block for them would be exactly the same. The only way to relieve them is to alter the rule, and to give them for the time being, after a certain number of years' service, the next rank. That would relieve them, and it would relieve them at a very little expense. I think it should be remembered that service out there cannot be compared with service at home, and the climate is bad, and the duties are quite different; the responsibilities are very much larger. You are stationed at a place where you can get no advice whatever; you have no lawyers to go to to help you; you have no minister to go to to help you; the minister is in Pekin, and you may telegraph to him, but he cannot realise from a telegram the state of circumstances in your place. You have an amount of responsibility thrown upon you which is very rare in these days in any employment.

29,940. (*Mr. Lawson.*) Because of the isolation?—Because of the isolation of the post.

29,941. (*Mr. Cleghorn.*) Yes, but if you are sending out fewer there would be fewer men undergoing disappointment?—It seems to me that men in the junior ranks, being appointed in less numbers, would make no difference for the time being to the men senior to them.

29,942. There would be fewer dissatisfied?—You must have a certain number of men to do the work.

29,943. (*Mr. Lawson.*) I understood that the service is kept at a certain standard of strength?—Yes.

29,944. Therefore the examinations are not regular—they are only held when there are vacancies?—Exactly.

29,945. Therefore it makes no difference if you keep a certain number always in China—it does not depend upon the examination, it depends upon the standard of the service?—Exactly.

29,946. Beyond the men who are learning their duties and acquiring the language at Pekin, are there any who are not in regular employment?—There are none who are not in regular employment. As soon as a man has passed two years there—in many cases, if they want a man, if he has passed only a year and a half in Pekin—he is sent down to do the work at the ports, if his work is wanted.

29,947. What is the total number of vice-consuls, assistants, and student interpreters in China?—I think the total number is about 55 or 60. This block is quite a temporary affair; my proposals as to substantive appointments and rank for years would cause very little expense to the Government; I do not suppose more than 1,000*l.* to 1,500*l.* a year, and they would be a great relief to the juniors out there, who are at present almost hopeless. If this state of things goes on the best men will leave the service. There is no difficulty in a man who knows Chinese getting employment out there.

29,948. May I ask at what age you entered the service?—I entered the service in China at 21.

29,949. By a preliminary examination here?—Yes.

29,950. As a matter of fact, what is the average time that is taken in the acquisition of Chinese?—I think a man can learn enough Chinese to be useful in two years.

29,951. We have heard that Chinese is a very wide term, and that there are an immense number of dialects?—There is one dialect that is spoken by all officials.

29,952. The Mandarin?—Yes, all over the empire. A man can learn enough of that to go in and see an official, and do his business with him, in two years, if he works hard.

29,953. Is there any interchange between China, Japan, and Siam?—There is supposed to be, I believe, but it is very rarely that there is an interchange.

29,954. Of course, the languages are utterly distinct? Exactly. When a man has once learnt the language I do not think they change the man for ordinary executive duties, but they send a man for judicial business from one country to the other.

29,955. Japanese is very easy, is not it, as compared with Chinese?—Yes, I believe it is.

29,956. I suppose the posts, from what you hear of them, in Japan are rather pleasanter than those you have in China?—Very much so; people are altogether different. The Chinese are extremely astute. I do not suppose there are any people more troublesome to deal with, and, besides that, they have a strong antipathy to foreigners. It is almost impossible to be on really good terms with them; at all events, it is very difficult.

29,957. I have heard from bankers and others in San Francisco, that they are very precise in their dealings?—They are.

29,958. Very straight, as one might say?—Bankers and the larger merchants are very straight. Mercantile morality is high amongst them. You can trust the Chinese banker implicitly.

29,959. Therefore you have not much trouble in respect to this sort of dealing?—No; not with that class.

29,960. Your functions are somewhat political there?—Yes, they are political, between the British community and the Chinese, and with regard to the British community alone they are judicial, because the British subjects there are living under British law.

29,961. When a political question arises, do you communicate at once as fast as you can with the legation at Pekin?—Yes.

29,962. Do you wait for instructions, or do you act on your own initiative?—You almost always have to act on your own initiative.

29,963. Of course there is no telegraph?—In some places there is now; in most of the ports, I think, there is a telegraph.

29,964. I heard you say you have an amount of responsibility that few diplomatic officers have?—Yes; you have that because the circumstances are so difficult to explain. They depend on the relations with the Chinese—the state of feeling amongst the Chinese. You cannot put the minister through a telegram in a position so that he can judge of the state of facts existing in a place. You may telegraph for instructions, but in the ordinary way the minister will not know what instructions to give. I am thinking particularly of riots and troubles of that sort, which frequently occur.

29,965. Attacks on missionaries?—Yes, exactly—trouble with missionaries, amongst others.

29,966. At the present time, are there any members of your service at the legation at Pekin?—Yes, there are two, and besides those two there are student interpreters; there are altogether six or seven.

29,967. Is there any feeling in your service that it would be an advantage if there was some possibility of promotion to the diplomatic service in the East—in China in particular?—Well, I think the opinion in our service generally is that the line should not be an absolutely hard-and-fast line; at the same time, we think that the present system of selecting and sending out diplomatic officers is a good one. I do not think there is any dissatisfaction at all in that respect; but still we think that if occasionally, as in the cases in the past of Sir Thomas Wade and Sir Rutherford Alcock, there is a good man in China, he should be given a chance; and I think, as things go at present, it would be so probably.

29,968. Those exceptional promotions do not give rise to jealousy, you think?—I do not think so. I think that if there is a good enough man in our service his merits would probably be recognised by the Foreign Office, and there would be no jealousy amongst other men in the service.

29,969. You communacate directly, I suppose, with the Foreign Office?—Yes.

29,970. With the American department, which takes in north, south, and central America, and China, Japan, and Siam?—Yes.

29,971. Is there any feeling in your service that it would be advantageous if you were put in direct communication with the consular department, as the other branches of your service are?—I do not think there is.

29,972. You have no feeling on that point?—No, I do not think so.

29,973–4. You have, I suppose, of late years been particularly urged to do what you can for English trade in China?—Yes, I may say that while I was at my last post I negotiated some concessions on behalf of the British merchants interested in the place, and reported the matter to the Foreign Office, and it was at once approved, although, of course, 10 years ago it would have been out of the ordinary routine of consular work.

29,975. You are allowed to break through red tape?—Yes.

29,976. Of course one has heard complaints that in China German trade in particular has gained a good deal through the intervention of consuls—do you believe that that complaint is justified?—I do not think there is any cause for complaint in China on the part of our merchants in that respect. I think that the Germans are very serious rivals, but I think that the German consuls may go too far, and that they may bring disrepute on their representatives.

29,977. Within the limits which were laid down for the aid to trade by our diplomatic and consular offices, do you think we do all we can?—I think we are encouraged to do so. I think that some old men in the service do not do all that they might; it is almost impossible they should, because they were brought up under another system, but as far as our instructions go we do all we can.

29,978. Are there many of the old men left in the service?—There are not very many.

29,979. Do you have any sort of commercial instruction at the centre, where the student interpreters work?—We get no commercial instruction beyond having to assist in the work of the legation, such as having to see despatches and copy despatches, and so on,—there is no particular commercial instruction given. The two years that we spend at Pekin are spent in learning Chinese, and that is as much as a man can do.

29,980. Where do you get any commercial knowledge?—A man after being two years in China—say when he is 24—is sent down to the south of China, where he has to deal with merchants every day for the next 10 years. He has junior work to do, and he sees merchants constantly, and he picks up his commercial knowledge in simply dealing with the ordinary work of a consulate as an assistant.

29,981. I heard your general complaint about the absence of distinction or recognition perhaps in the consular service; do you think that applies more to your own branch than other branches?—I think it applies much more to China and Japan than to any other branch of the consular service, because we are so far away.

29,982. He is in the hands of the minister at Pekin to some extent?—He is in the hands of the minister at Pekin, and of course of the Foreign Office, but the minister in Pekin is changed frequently. He is a man who, as things go at present, has had no experience probably of a man's former work.

29,983. (*Chairman.*) Is there anything that you wish to add, because we should be very glad to hear it?—No, I think not.

The witness withdrew.

Adjourned.

APPENDIX.

CIRCULAR LETTER addressed to HEADS of DEPARTMENTS.

Royal Commission on Civil Establishments,
2, Victoria Street, S.W.,
November 1886.

SIR,

I AM desired by the Royal Commissioners on Civil Establishments to request you to have the goodness to furnish them with the following particulars as to the staff, &c. of the Office.

1. A tabular statement showing number and salaries of appointments, permanent or temporary, grades, classes, &c., from highest to lowest, including messengers, servants, &c.

2. The mode of appointment to each grade, &c., in the first instance, and of promotion afterwards.

3. The subjects of examination for each grade, &c.; and the class and amount of work done by each, so far as this can be given.

4. The limits of age for appointments in the first instance.

5. How far does promotion take place from lower to higher grades?

6. The hours of attendance. Is an attendance book kept, or how is a record of attendance provided for?

7. The number of day's vacation in a year.

8. The rules as to sick leave.

9. To what extent are copying machines made use of? What copying is done by hand?

10. What number of copyists are employed? What was the average number employed daily in the year 1885? Are they paid by time or piece, and at what rates? Are they all civil service copyists? What work do they perform? Do they discharge duties similar to those discharged by Lower Division clerks?

11. What is the rule as to printing?

12. Is shorthand made use of? If not, would its introduction be desirable?

13. Are any appointments reserved for persons not serving in the office?

14. In what respect does the work done by the Lower Division clerks differ from that done by clerks in superior grades?

15. What was the cost of stationery in 1885?

16. The Commissioners would also be glad to learn whether you have any suggestion to make with a view to greater economy and efficiency in your department. If any recent re-organisation of the office has taken place, they would wish to be furnished with any available reports upon the subject.

17. They would further request you to state how far the "Playfair scheme" has been introduced into your department, and with what results, so far as can at present be judged.

18. The Commissioners would also be glad to receive the names of any of the administrative officers of your department whose evidence would, in your opinion, be of value to them on the above-mentioned points, and they suggest further that if the members of any particular class or classes desire to be heard specially by the Commissioners upon any matter within the terms of the Commission, they should be at liberty to select some member or members of their body to represent their independent opinions, as concisely as possible, and at first, in writing.

I am, Sir,
Your obedient Servant,
(Signed) HORACE WALPOLE.

(1.)

FOREIGN OFFICE.

A.—SALARIES, WAGES, AND ALLOWANCES.

1889-90.	——	Salary of Office. Minimum.	Annual Increment.	Maximum.
		£	£	£
1	Secretary of State	—	—	5,000
1	Under Secretary of State	—	—	2,000
1	Ditto ditto (Parliamentary)	—	—	1,500
1	Assistant ditto	—	—	1,500
1	Ditto ditto	—	—	1,200
1	Chief Clerk (*a.*)	1,000	50	1,250
5	Senior Clerks (*b.*)	900	50	1,000
7	Assistant Clerks	700	25	800
20	First Class Junior Clerks	200	20	600
4	Second Class ditto	100	20	200
1	Librarian and Keeper of the Papers (*c.*)	700	25	1,000
1	Assistant in Librarian's Department	550	20	650
2	1st Class Clerks in Librarian's Department	400	15	500
4	2nd Class ditto (*d.*)	250	15	360
4	3rd Class ditto	100	10	240
1	Superintendent of the Treaty Department	700	25	1,000
1	Assistant in the Treaty Department	500	20	650
1	Clerk	100	10	240
3	Clerks in Chief Clerk's Department, 1 at 400*l.* by 20*l.* to 600*l.*; 2 at 400*l.* by 20*l.* to 500*l.*	—	—	—
1	Oriental Interpreter	—	—	400
17	Clerks, Lower Division	80	15 triennially.	200
—	Ditto ditto Duty Pay	—	—	330

(*a.*) Also receives 794*l.* 2*s.* for compensation on abolition of Foreign Office Agencies, provided in Class VI.

(*b.*) Including a personal allowance of 100*l.* a year to one Senior Clerk as head of the Commercial Department.

(*c.*) Also receives 349*l.* 13*s.* 8*d.* for compensation on abolition of Foreign Office Agencies, provided in Class VI.

(*d.*) One Clerk of this Class is employed in the Commercial Department, and receives an allowance of 100*l.* a year for editing Commercial Reports, and one in the Treaty Department.

1889-90.	——	Salary of Office.
		£
1	Type writer	1*l.* 1*s.* a week
1	Clerk in the Passport Office *e*	350
1	Private Secretary to the Prime Minister	400
1	Assistant ditto ditto	250
—	Private Secretary to the Secretary of State *f*	300
—	Précis Writer *f*	300
—	Extra Copying	100
1	Printer	150
1	Reader in the Printing Establishment	40*s.* a week
1	Office-keeper and Housekeeper (Resident)	250
1	Ditto ditto ditto	150
6	Ditto three at 125*l.* and three at 100*l.* a year	675
—	Allowance to one of the Office Keepers for charge of Refreshment supply	25
—	Ditto ditto for night duty	20
1	Doorkeeper (Resident)	100
1	Ditto	90
1	Ditto *g*	20*s.* to 30*s.* a week, by 5*l.* 4*s.* a year
1	Coal Porter	25*s.* a week.
1	Assistant to ditto	17*s.* 6*d.* a week.
1	Porter in the Librarian's Department (Resident)	90
1	Ditto ditto	60*l.* to 80*l.* a year, by 2*l.* a year.
10	Housemaids; one at 20*l.*, one at 18*l.*, one at 16*l.*, three at 15*l.*, and four at 14*l.*, a year each	155
—	Housemaids' Board Wages, at 12*s.* a week each	312
	Charwomen; four at 14*s.*, and one at 6*s.* a week each and temporary assistance	187
	Extra Allowances, viz.—	
	Permanent Under Secretary of State, for the Management of the Secret Service Fund of the Foreign Department	300
	A Junior Clerk as Private Secretary to the Permanent Under Secretary of State	150
	A Junior Clerk as Private Secretary to the Parliamentary Under Secretary of State	150
	4 Resident Clerks, at 50*l.* each	200
	Allowances to Junior Clerks for Translations	292

(*e.*) Including a personal allowance of 50*l.* a year.

(*f.*) These allowances are paid to officers of the Department.

(*g.*) 1*s.* in receipt of 1*l.* a week from Metropolitan Police Funds.

Appendix.

FOREIGN OFFICE—*continued.*

1889-90.	——	Salary of Office.

B.—LEGAL ASSISTANT:

		£
1	Legal Assistant - - - - - - -	1,000

C.—MESSENGERS' SALARIES:

		£
10‡	Queen's Foreign Service Messengers, at 400*l.* a year each.	4,000
8	Queen's Home Service Messengers, five at 200*l.*, and three at 150*l.* a year each.	1,450
1	Examining Medical Officer to Queen's Messengers -	30
19		

D.—MESSENGERS' TRAVELLING EXPENSES:

		£
—	Expenses of Journeys, including allowance of 1*l.* a day to Foreign Service Messengers while Abroad - - - - - -	6,500

F.—INCIDENTAL EXPENSES:

		£
—	Newspapers - - - - -	170
—	Housekeepers' and Doorkeepers' Disbursement	180
—	Carriage of Official Books and Papers sent as Parcels - - - - -	150
—	Miscellaneous Payments - - - -	75
—	Total for INCIDENTAL EXPENSES £	575

2. Clerks on the regular line of the office are appointed after limited competition on nomination by the Secretary of State. Clerks of the Lower Division are appointed after open competition. In the case of a few minor appointments the examination is not competitive. Promotion in the Lower Grades is by seniority, and in the higher by selection.

3. The subjects of examination are given in the annexed paper (Appendix A.).

A statement is also annexed giving the distribution of the work of the office (Appendix B.).

4. The limits of age are: *For clerks*, between 18 and 24 years complete.

For Foreign Service Messengers, between 25 and 35 years complete.

For Home Service Messengers, Office Keepers, Door Keepers, and other subordinate situations, under 40 years complete.

5. The introduction of Lower Division Clerks dates from 1881 only, and no instance of promotion from the lower to the higher grade has taken place.

6. The regular hours of attendance are from 12 to 6. Owing, however, to the nature of the work the attendance can be governed by no fixed rules, and during pressure of work some of the clerks are frequently detained till a much later hour than 6 o'clock. The Senior and Assistant Clerks are also often obliged to continue working at home. No record of attendance is kept, but the Senior Clerks are responsible for the attendance of the members of their respective divisions.

7. The length of vacation is two months.

Clerks of the Lower Division one month.

8. There are no rules as to sick leave.

9. Copying machines are only used for producing the necessary number of copies of important telegrams and despatches which require immediate circulation to the Queen and the Cabinet.

Printed forms are made use of, but important despatches and letters, or despatches and letters for which printed forms would be unsuitable, are copied by hand. Since the end of last April a lady type writer has been employed.

10. There are no permanent copyists. Occasionally temporary assistance is obtained from the Civil Service Commissioners.

11. *See* annexed extract from report on printing and stationery, laid before Parliament in 1886 (Appendix C.).

12. The introduction af shorthand generally is not required, but it might be useful if a certain number of the clerks on the establishment were able to write shorthand.

13. Last year the post of Legal Assistant was filled by the appointment of a gentleman who had not previously served in the office.

14. Lower Division Clerks are not employed in divisions in which the business is exclusively political.

In the other divisions work of confidential character is not dealt with by them. Their occupation is confined to copying, examining, and checking accounts and to the registration and arrangement of non-confidential papers.

The four Lower Division Clerks in the Librarian's Department are employed in registering papers of old date.

15. The charge for stationery in the year 1885–6 was 11,744*l.*

Lord Salisbury is not aware of any direction in which greater economy combined with efficiency can be introduced into the department. A Table* is annexed showing the number of despatches, &c., received and sent annually from 1826 down to the end of last year.

The following are the yearly averages for the three decades since 1856:—

1857 to 1866 - -	51,985
1867 ,, 1876 - -	53,079
1877 ,, 1886 - -	73,927

In 1886 the number was 83,960; in 1887, 78,106; and last year, 75,702. It is to be observed that notwithstanding this great increase no addition has been made to the Diplomatic Establishment since the year 1857; in fact, it is practically less by two owing to the appointment of two clerks in 1866 and 1875, to act as private secretaries to the Permanent and Parliamentary Under Secretaries of State.

The staff which would otherwise have been totally inadequate is supplemented by assistance given by newly appointed attachés and consuls who, under the regulations, are required to attend for a certain time at the office before proceeding to their posts.

A supplemental clerk was added to the Treaty Department in 1887. Applications to the Treasury for three additional lower division clerks, one each for the Commercial and Consular Departments, and one for the legal assistant have been held over pending the result of the experiment of employing the type writer.

The re-organisation effected in the Diplomatic Establishment in 1881, of which the particulars are given below, had for its principal object a redistribution of the work, coupled with a re-arrangement of salaries. The number of clerks of the old establishment was reduced by four, and a corresponding number of clerks of the lower division was appointed.

ESTABLISHMENT BEFORE RE-ORGANISATION.

Salary.

——	Minimum.	Annual Increment.	Maximum.
	£	£	£
Chief Clerk - - - -	1,000	50	1,250
7 Senior Clerks - - -	700	25	1,000
8 Assistant Clerks - - -	550	20	650
10 1st Class Junior Clerks -	350	15	545
9 2nd do. - -	150	10	300
6 3rd do. - -	100	10	150

ESTABLISHMENT AFTER RE-ORGANISATION.

Salary.

——	Minimum.	Annual Increment.	Maximum.
	£	£	£
Chief Clerk - - - -	1,000	50	1,250
5 Senior Clerks - - -	900	50	1,000
7 Assistant Clerks - - -	700	25	800
20 1st Class Junior Clerks -	200	20	600
4 2nd do. - -	100	20	200
4 Lower Division Clerks - -	80	15 triennially.	200

‡ One of these officers is in receipt of a pension of 7*s.* a day from Indian Revenues.

* Not reprinted.

The Librarian's Department was not included in the above re-organisation. In view of the great increase of papers, and of the consequent heavy arrears of the registry and index, additions, both permanent and temporary, have been made to the staff.

The Chief Clerk's Department was re-organised in 1882 on the principle of substituting lower division clerks for some of the clerks previously employed; and the clerical staff of the Treaty Department has been strengthened by the appointment of two clerks, one of them of the lower division in place of a writer previously employed.

A second Assistant Under Secretary of State was appointed in 1876, principally for legal business.

This appointment was conferred in 1876 on Sir Julian Pauncefote, who in 1882 became Permanent Under Secretary of State. The post of Assistant Under Secretary of State then vacated by him was filled by the promotion of one of the clerks of the office; and Sir Julian Pauncefote continued to discharge the legal business in addition to his functions as Permanent Under Secretary.

In 1886 a legal assistant was appointed on the suppression of the counsel to the law officers on Foreign Office matters.

The "Playfair Scheme" has not been introduced in this Department otherwise than by the appointment of lower division clerks.

Lord Salisbury proposes that, in the first instance, the Permanent Under Secretary of State and the Chief Clerk should appear before the Commission; but I am to add that any other officials connected with the Department whose evidence the Commission may consider will be of value to them, will readily place themselves at their disposal.

The following is a list of the principal officers:—

Permanent Under Secretary of State	Sir P. Currie.
Parliamentary do.	Sir J. Fergusson.
Assistant do.	Sir V. Lister.
Do. do.	Sir T. Sanderson.
Chief Clerk	Sir F. Alston.
First Senior Clerk	Mr. C. M. Kennedy.
Second do.	Sir Percy Anderson.
Third do.	Mr. H. W. Hervey.
Fourth do.	Mr. H. S. C. Jervoise
Fifth do.	Hon. F. Bertie.
Librarian	Sir E. Hertslet.
Superintendent of the Treaty Department	Sir H. Bergne.

(Signed) P. CURRIE.

November 1, 1889.*

APPENDIX A.

REGULATIONS for the EXAMINATION of CANDIDATES for CLERKSHIPS on the ESTABLISHMENT of the FOREIGN OFFICE, as settled by Earl Granville with the Civil Service Commissioners, and approved by the Treasury.

[These appointments are filled up by limited competition.]

SUBJECTS FOR EXAMINATION

Obligatory.

1. *Arithmetic* (including Vulgar and Decimal Fractions).
2. *Handwriting and Orthography.*
   (These should include, besides correct spelling, writing a good bold hand, and forming each letter distinctly, proof that the Candidates can write quickly and correctly from dictation.)
3. *English Composition.*
4. *Précis Writing.*
5. *French* (Translation from and into, Writing from dictation, Writing a letter in French on ordinary subjects, and Conversation, paying particular attention to accent, genders, and tenses).
6. *German* (Translation from and into, Speaking, Writing, and Reading MS.
7. *Latin* (paying especial attention to parsing, as in the examination for Attachés).*
8. *General Intelligence* (Exercises as in the Attachés' examination).†
9. *Geography.*

Optional.

10. *History of Europe.* To be read in (1) Michelet's "Précis de l'Historie Moderne," and (2) Dyer's "Modern Europe" last edition, 1789 to 1871 (inclusive).
11. *Constitutional History of England.* To be taken from May, and from Hallam commencing with Chap. XIII. to the end of the work.
12. *Italian.*
13. *Spanish.*
14. *Ancient Greek.*

Two only of the optional subjects may be taken up, of which one must be a language and the other a history. If one optional subject only is taken up, it may be any one of the five specified.

The limit of age for candidates is between 18 years complete and 24 years complete, except in the case of those who may not reside with relatives, or have an established and respectable home in the metropolis, or in its immediate neighbourhood; in this latter case, the minimum of age is 20 years complete.

Foreign Office,
May 1, 1883.

* This return was originally sent in on the 31st of March 1887, but has been revised up to date.

APPENDIX B.

FOREIGN OFFICE:—DOWNING STREET.	Actual salaries in 1889–90.
	£
Secretary of State:	
Right Honourable the Marquess of Salisbury, K.G.	5,000
Under Secretaries of State:	
Sir P. Currie, K.C.B.	2,000
Right Honourable Sir James Fergusson, Bart., G.C.S.I., K.C.M.G., M.P.	1,500
Assistant Under Secretaries of State:	
Sir T. Villiers Lister, K.C.M.G.	1,500
Sir T. Sanderson, K.C.M.G., C.B.	1,200

Name of Department and Business assigned to it.	Name and Office of the Official Superintending the various Departments.		Actual salaries in 1889–90.
	Name.	Office.	
Chief Clerk's Department:			
Diplomatic appointments. Consular commissions. Exequaturs. Foreign ministers' privileges. Control of messengers. Issue of passports. Custody of cabinet keys. Preparation of estimates. Issue of salaries. Diplomatic pensions. Establishment questions. Examination and control of accounts of:— Home services. Ministers' extraordinaries. Special commissions and services. Consular services. China, Japan, and Siam services.	Sir P. Currie, K.C.B. Sir Francis Alston, K.C.M.G.	Chief Clerk	1,250

Extract from the Regulations for the Examination of Candidates for the Diplomatic Service.

* Par. 4. That they are well grounded in Latin grammar, and are able to construe and parse a portion of some good classical Latin author, and to give the derivation of words.

† Par. 11. That they are generally intelligent, as evinced by the manner in which they acquit themselves under examination, and specifically by the quickness they may show in seizing the points in papers read by them, or read over to them, once or twice.

Appendix.

Name of Department and Business assigned to it.	Name and Office of the Officials superintending the various Departments. Name.	Office.	Actual salaries in 1889-90.
			£
Consular and African (East and West):			
Correspondence with Her Majesty's Ministers and Consuls abroad, and management of all matters relating to the Consular Service. (Except in China, Japan, and Siam). Correspondence relating to the suppression of the slave trade.	Sir P. Currie, K.C.B. Sir V. Lister, K.C.M.G. Sir P. Anderson, K.C.M.G.	Senior Clerk.	1,000
Commercial and Sanitary:			
Correspondence with Her Majesty's Ministers and Consuls abroad, with the Representatives of Foreign Powers in England, the Board of Trade, and other departments of Her Majesty's Government, as well as with commercial associations, &c., on matters strictly commercial; sanitary questions.	Right Hon. Sir J. Fergusson, Bart., M.P. Mr. C. M. Kennedy, C.B.	Senior Clerk.	1,000
POLITICAL DEPARTMENTS.			
Western (Europe):			
Austria, France, Germany, Italy, Morocco, Portugal, Spain, Switzerland, Tunis, and miscellaneous.	Sir P. Currie, K.C.B.		
Bavaria, Belgium, Denmark, Netherlands, Sweden and Norway, and Wurtemburg.	Sir V. Lister, K.C.M.G. Mr. H. Hervey	Senior Clerk.	1,000
Eastern (Europe):			
Correspondence relating to— Greece, Montenegro, Roumania, Servia, Russia, Turkey, and Egypt.			
Central Asia and Persia	Sir P. Currie, K.C.B. Hon. F. Bertie	Senior Clerk.	900
American and Asiatic:			
Correspondence relating to— United States	Sir T. Sanderson, K.C.M.G., C.B.		
Argentine Republic, Bolivia, Brazil, Dominican Republic, Central America, Chili, China, Columbia, Equator, Hayti, Japan, Mexico, Peru, Siam, Uruguay, and Venezuela.	Mr. H. S. C. C. Jervoise.	Senior Clerk.	1,000
Legal and judicial business	Mr. Davidson	—	1,000
Librarian's Department:			
Custody, arrangement, and registry of the manuscript correspondence. Confidential papers. Treaties. Printed library. Preparation of memoranda on historical events, international cases, treaty questions, &c. Correspondence of matters relating to the Public Record Office, &c. Compilation of "British and Foreign State Papers" (personal to Librarian).	Sir P. Currie, K.C.B. Sir E. Hertslet, C.B.	Librarian and keeper of the papers.	1,000
Treaty Department:			
Treaties. Full powers. Commissions (other than Consular). Credentials. Royal letters. British and Foreign Orders. Medals and Honorary Rewards. Questions of ceremonial precedence, and doubtful nationality. Diplomatic privileges. Extradition. Naturalization. Copyright.	Sir P. Currie, K.C.B. Sir T. Sanderson, K.C.M.G., C.B. Sir H. Beyne, K.C.M.G.	Superintendent.	900

APPENDIX C.

EXTRACT from Report dated 20th December 1884.

II.—PRINTING.

Printing may be divided into—

(i.) Parliamentary.
(ii.) Confidential.
(iii.) Jobwork.

It is the rule of this office that no Confidential Papers or Papers for Parliament are printed without the sanction of the Secretary of State or of an Under-Secretary of State having been previously obtained, either verbally or in writing.

The Head of each Division in the office conveys to the printer the order from the Secretary of State or Under Secretary of State for the printing of such papers as may concern his Department.

This rule applies to the Confidential Papers as well as to those required for Parliament.

Soon after the expiration of each quarter, the printer (Mr. Harrison, himself or his son) submits to the Head of each Division his bill for printing the papers which have been ordered by him during the past quarter, and the Head of the Division writes his name against the items which have been printed for his Department, in testimony that the work was ordered through him, and was duly executed.

The bill is then passed by the Chief Clerk to the Stationery Office for payment.

(i.) Parliamentary Papers are printed by Messrs. Harrison at the Foreign Office. They comprise—

(*a.*) Papers on subjects of public interest, presented to Parliament by command.

(*b.*) Returns to addresses from either House of Parliament.

All matter for Parliamentary Papers is printed verbatim from original correspondence or documents, and receives such a degree of editing as may be necessary. Where papers required for Parliament have already been printed confidentially, the print is utilised whenever possible in order to avoid printing documents twice over.

(ii.) Confidential printing is also executed by Messrs. Harrison at the Foreign Office, and comprises papers for the use of the Cabinet, or of a special degree of secrecy. A strict account is kept of their disposal, and claims for payment are checked by a quarterly examination of papers at the Foreign Office by an officer of the Stationery Office.

(iii.) Jobwork printing consists of Royal Commissions, Exequaturs, Circular Despatches, Orders on the Paymaster-General, regulations for the examinations on appointment to the Foreign Office, diplomatic and consular services, student interpreterships, &c., and a few documents for office use of annual recurrence, all of which, with the exception of envelopes for foreign postage and office use, which are printed by Messrs. Robson and Sons under contract with the Stationery Office, are printed by Messrs. Harrison, but not confidentially.

N.B.—The paper for all printing purposes is supplied by the Stationery Office on quarterly requisitions signed by the chief clerk.

(2.)

MEMORANDUM.

Establishment of the Foreign Office.

The Foreign Office, as reorganized in 1881, is divided into eight Departments. Of these three are Political, and one partially so.

1. *The Eastern*, which deals with the affairs of Eastern Europe, Asiatic Turkey, Persia, and Central Asia, Egypt, and Tripoli.
2. *The Western*, which takes Western Europe, Morocco, Algiers, Tunis, and the Pacific Islands.
3. *The American*, which takes North, South, and Central America, China, Japan, and Siam.
4. *The Consular*, which, in addition to Consular business, deals with the East and West Coast of Africa and Slave Trade.
5. *The Commercial*, where Commercial and Sanitary questions are treated.
6. *The Chief Clerk's*, which is charged with the financial business of the Office, and the accounts of the Diplomatic and Consular Services, with the preparation of estimates, and rendering of accounts to be laid before Parliament, and also with a variety of questions connected with the general administration of the Department.
7. *The Library*, which has the custody, arrangement, and registry of the MS. correspondence, and of the printed Library, and where Memoranda on historical events, international cases, &c., are prepared.
8. *The Treaty Department*, in which the drafts of Treaties are prepared, and which also deals with Orders in Council, and various technical questions, such as extradition, nationality, copyright, and enforcement of the Foreign Enlistment Act, as well as questions of Ceremonial, Royal Letters, British and Foreign orders, &c.

In the Political Departments, only Clerks on the Establishment and members of the Diplomatic Service are employed, the latter on first appointment, by exchange, or by special permission. In the Consular and Commercial Departments, Lower Division Clerks assist in the routine and non-Confidential work. In the Consular Department, besides the staff of Clerks, Consuls are employed on first appointment, or by special permission.

In the Chief Clerk's, Librarian's, and Treaty Departments, Clerks corresponding with the "Supplementary" Clerks of the Treasury are employed, assisted by Lower Division Clerks. One Supplementary Clerk is attached to the Commercial Department. There is also one lady typewriter employed for commercial and other copying.

The numbers of each class are as follows:—

36	Clerks on the Establishment.
16	ditto (Supplementary).
1	Passport Clerk.
17	Lower Division Clerks.
1	Type-writer.
71	

In addition to the above there are—

1	Permanent Under Secretary.
1	Parliamentary Under Secretary.
2	Assistant Under Secretaries.
1	Chief Clerk and Accounting Officer.
1	Librarian.
1	Superintendent of the Treaty Department.
1	Legal Adviser.
1	Oriental Translator.

The Clerks on the Establishment are divided as follows:—

		Salaries.
5	Senior Clerks	900*l.* by 50*l.* a year to 1,000*l.*
7	Assistants	700*l.* „ 25*l.* „ 800*l.*
20	1st class Junior Clerks	200*l.* „ 20*l.* „ 600*l.*
4	2nd class „ „	100*l.* „ 20*l.* „ 200*l.*
36		

Of these four are employed as Private Secretaries, two to the Secretary of State (allowances, 300*l.* each); two to the Permanent and Parliamentary Under Secretaries (allowances, 150*l.* each). There are four Resident Clerks, 50*l.* a year each. The post of Translator of European Languages was abolished in 1886, and these translations are now entrusted to three Junior Clerks, selected by competition, to whom allowances amounting in all to 292*l.* a year are paid in lieu of the sum of 400*l.* formerly paid for this service.*

The Supplementary Clerks are distributed as follows:—

Chief Clerk's Department.

		Salaries.
1	1st class	400*l.* by 20*l.* a year to 600*l.*
2	„	400*l.* „ 20*l.* „ 500*l.*

Librarian's Department.

1	Sub-Librarian	550*l.* by 20*l.* a year to 650*l.*
2	1st class Clerks	400*l.* „ 15*l.* „ 500*l.*
2	2nd „ „	250*l.* „ 15*l.* „ 360*l.*
4	3rd „ „	100*l.* „ 10*l.* „ 240*l.*

Treaty Department.

1	Assistant	550*l.* by 20*l.* a year to 650*l.*
1	Clerk	250*l.* „ 15*l.* „ 360*l.*
1	„	100*l.* „ 10*l.* „ 240*l.*

Commercial Department.

1	Clerk*	250*l.* by 15*l.* a year to 360*l.*
16		

The Lower Division Clerks (salaries, 80*l.* by 15*l.* triennially to 200*l.*)

Commercial Department		2
Consular	„	2
Chief Clerk's	„	8
Librarian's	„	4
Treaty	„	1
		17

In addition to their salaries, eleven of the Lower Division Clerks are in the receipt of duty-pay—one at the rate of 100*l.* a year, one 30*l.* a-year, four 25*l.* a-year, and five 20*l.* a year.

Total number of Staff of all grades, 80.

The hours of work are nominally from 12 to 6, except for the Commercial Department, the Book-keeper's branch of the Chief Clerk's Department, and the Passport Office, which open at 11; but Departments rarely close at 6, and it is understood that the Clerks should remain as long as there is any work to do. The responsibility in the matter rests with the Heads of Departments.

The yearly allowance of leave is two months, and one month for the Lower Division Clerks.

The Diplomatic Service is separate from the Establishment of the Foreign Office, but all members of it work for at least six months in the Office on first appointment, and occasionally afterwards.

Exchanges, temporary or permanent, between Clerks in the Foreign Office and members of the Diplomatic Service can also take place by sanction of the Secretary of State, and transfers from one Service to another without exchange have occasionally been made.

Entrance to the Foreign Office is by limited competition. An average of about eight candidates, nominated by the Secretary of State, compete for each vacancy.

For purposes of comparison, Reports from Lord Lytton and Sir E. Malet respecting the establishments of the French and German Foreign Offices are appended to this Memorandum.

Foreign Office,
May 10, 1889.

* 250*l.* to Translator; 150*l.* to Clerks for knowledge of languages.
† Also an allowance of 100*l.* a year for editing Commercial Reports.

Appendix.

APPENDIX.

No. 1.

The Earl of Lytton to the Marquis of Salisbury.
(Received April 4.)

(No. 176.)

My Lord, Paris, April 3, 1889.

With reference to your Lordship's despatch No. 146 of the 28th ultimo, I have the honour to transmit herewith a table showing the numbers and classification of the French Foreign Office during the year 1888.

The "Direction des Affaires Politiques et du Contentieux," the "Direction des Affaires Commerciales et Consulaires," and the "Service du Protocole," or Treaty Department, are each under the management of a "Directeur," with the rank of Minister.

The Staff of the Political Department are interchangeable with the members of the Diplomatic Service, and that of the Commercial Department with the members of the Consular Service.

The "Expéditionnaires" are Second-Class Clerks.

I have, &c.
(Signed) Lytton.

Enclosure in No. 1.

Staff of the French Foreign Office, 1888.

—	Sous-Directeurs.	Chefs.	Sous-Chefs.	Rédacteurs.	Commis Principaux.	Secrétaires.	Attachés Payés.	Attachés Autorisés.	Commis de Chancellerie et Élèves Chanceliers.	Traducteur.	Expéditionnaires.
Cabinet du Ministre.											
Cabinet	—	1	1	—	1	—	5	3	—	—	—
Bureau de l'Analyse de la Presse Étrangère	—	1	—	—	1	1	—	2	—	1	—
„ du Chiffre	—	1	1	—	1	—	4	—	—	—	—
„ du Départ et de l'Arrivée des Correspondances et des Courriers.	—	1	1	—	—	—	1	—	—	—	—
„ des Traducteurs	—	1	—	—	—	—	3	—	—	—	—
Service du Protocole	—	—	1	—	1	—	—	2	—	—	1
Direction des Affaires Politiques et du Contentieux.											
Bureau d'Ordre et du Personnel	—	—	2	—	3	—	3	9	—	—	—
Sous-Direction du Nord et de l'Extrême-Orient	1	2	—	1	1	—	3	3	—	—	—
„ du Midi et de l'Orient	1	2	—	1	3	—	3	4	—	—	—
„ des Pays de Protectorat	1	2	—	1	4	1	4	3	—	—	—
„ du Contentieux	1	1	—	—	2	—	2	3	—	—	—
	4	12	6	3	17	2	28	39	—	1	1
Direction des Affaires Commerciales et Consulaires.											
Bureau d'Ordre et du Personnel	1	—	—	—	2	—	—	5	—	—	—
Sous-Direction des Affaires Commerciales	1	—	—	2	—	—	2	7	1	—	1
„ „ Consulaires	1	—	—	1	2	—	1	5	—	—	1
„ „ de Chancellerie	1	2	—	1	2	—	2	—	7	—	1
	4	2	—	4	6	—	5	17	8	—	3
Other Departments.											
Division des Archives	1*	2	1	—	1	—	3	5	—	—	—
Service Géographique	—	1	—	—	—	—	1	—	—	—	—
Bibliothèque	—	1	—	—	—	—	—	1	—	—	—
Division des Fonds et de la Comptabilité	1*	3	3	—	—	—	13	3	—	—	—
	10	21	10	7	24	2	50	65	8	1	4
Total	202										

* Chef de Division.

No. 2.

Sir E. Malet to the Marquis of Salisbury.—
(Received April 8.)

(No. 120.)

My Lord, Berlin, March 31, 1889.

In reply to your Lordship's despatch No. 108 of the 28th instant, I have the honour to enclose herewith a list of the Clerical Staff of the Imperial German Ministry for Foreign Affairs with which I have been favoured by that Department.

I have, &c.
(Signed) Edward B Malet.

Enclosure in No. 2.

List of Officials employed in the various Departments of the German Foreign Office.

1 Secretary of State (Count von Bismarck).
1 Under-Secretary of State (Count von Berchem

2

I. Political Division.

6 Chief Officials.
1 Permanent Secretary.
3 Additional Secretaries.
2 Additional Clerks.

12

Central Bureau.

1 Chief Official.
7 Permanent Assistants.
6 Additional Assistants.

14

Cypher Bureau.

1 Chief Official.
1 Inspector.
14 Permanent Assistants.
12 Additional Assistants.

28

Division for Personal Matters, Estimates, and Accounts.

1 Chief Official.
3 Permanent Secretaries.
1 Permanent Clerk.
4 Additional Clerks.

9

Secret Registry Office.

1 Chief Official.
6 Permanent Secretaries.
3 Additional Secretaries.

10

Secret Estimate Bureau.

5 Permanent Officials.
3 Additional Officials.

8

Paymaster's Department.

1 Paymaster.
1 Cashier.
4 Book-keepers.
1 Secretary.
1 Additional Assistant.

8

Total - - 91

II. Commercial Division.

1 Director.
5 Chief Officials.
5 Permanent Secretaries.
3 Permanent Clerks.
13 Additional Clerks.

27

Secret Registry Office.

1 Chief Official.
6 Permanent Secretaries.
3 Additional Secretaries.

10

Total - - 37

III. Legal Division.

1 Director.
5 Chief Officials.
3 Permanent Secretaries.
2 Additional Secretaries.
6 Permanent Clerks.
13 Additional Clerks.

30

Secret Registry Office.

1 Chief Official.
8 Permanent Secretaries.
4 Additional Secretaries.

13

Total - - 43

Central Secret Chancery.

1 Chief Official.
34 Permanent Secretaries.
19 Additional Secretaries.

54

Grand total - 225

(3.)

MEMORANDUM.

Queen's Foreign Service Messengers.

Queen's Foreign Service Messengers are employed under the Foreign Office to carry, between London and foreign capitals, despatches and communications of a confidential character which it is not considered advisable to intrust to the ordinary post.

In 1869 there were 17 of these Messengers; in the following year they were reduced to 15; in 1873 to 12; and, under a Minute approved by Lord Granville in 1883, they now number 10 only. In consequence of the increased facility and rapidity of communication, and of the establishment of a local service between Paris and Calais, it is in contemplation, as vacancies occur, still further to reduce the number.

The following are the fixed journeys now performed by the Foreign Service Messengers:—

A fortnightly service to *Constantinople* by way of Paris, Stuttgardt, Munich, Vienna, Belgrade, and Sophia.

A fortnightly journey to *Berlin*.

A fortnightly journey, in the intermediate weeks, to *St. Petersburgh*, by way of Berlin.

The Messengers are held in readiness for extra journeys, as required.

The Messengers receive salaries of 400*l.* a year, with an allowance of 1*l.* a night while employed abroad. The Messengers charge in their accounts their actual expenses, that is to say, the railway fares and the sums paid for excess luggage. Such items as cab hire, fees to guards, porterage, &c. are settled according to a table of fixed allowances, calculated, as far as possible, so as to reimburse the Messenger his actual outlay, and no more. This table is revised from time to time so as to adapt it, as far as may be, to altered circumstances, the last occasion of such revise having been in 1887, when further savings, estimated at about 250*l.* a year, were effected.

Home Service Messengers.

There are eight Home Service Messengers attached to the Foreign Office. Under an arrangement agreed to by the Treasury in 1880, the Messengers are to consist of two classes, the four seniors to constitute the first class, and to receive salaries of 200*l.*; the second class to receive 150*l.* only; but this arrangement cannot be fully carried out until the retirement of some of the present Messengers.

Officekeepers, &c.

The internal service of the office is performed by eight officekeepers. It has been agreed with the Treasury that, as vacancies occur, they shall be formed

Appendix.

into two classes, the first class to consist of three, of whom two are resident:—

——	Salary.
1st Class—	
Officekeeper and Housekeeper (resident).	200*l.*, rising to 250*l.*
Officekeeper who has also night duty (resident).	150*l.* fixed.
Officekeeper (non-resident) - -	150*l.* „
2nd Class—	
Five Officekeepers, at (each) -	100*l.* „

Full effect can only be given to this arrangement as vacancies occur.

The other office servants are:—

——	Salary.
Doorkeeper (resident) - - -	100*l.*
Ditto (non-resident) - - -	90*l.*
Ditto, Passport Office (non-resident) -	20*s.* to 30*s.* a week.
Coal-porter and Lamplighter (resident)	25*s.* a week.
Assistant ditto (non-resident) - -	17*s.* 6*d.* a week.
Librarian's Messenger (resident) -	90*l.* fixed.
2nd ditto (non-resident) - - -	60*l.*, rising to 85*l.*

The net savings effected in the salaries of the Messengers, Officekeepers, &c., since 1871, amount to 2,494*l.*

Female Servants.

Ten housemaids, with wages ranging from 20*l.* to 14*l.* a year each, with board wages at 12*s.* a week each.

Five charwomen, four at 14*s.* a week each; one at 6*s.* a week.

Foreign Office,
May 1889.

(4.)

MEMORANDUM.

Diplomatic Establishment.

The constitution of the Diplomatic Service remains based in all important particulars on the recommendations made in the Report of the Select Committee on Diplomatic and Consular Services, which was presented to Parliament in 1871.

The Service consists at present of 132 members, who are divided into 14 classes, as follows:—

7	Ambassadors.
17	Envoys Extraordinary and Ministers Plenipotentiary.
1	Minister Plenipotentiary.*
8	Ministers Resident.
3	Chargés d'Affaires.
1	Agent and Consul-General.
7	Secretaries of Embassy.
16	„ Legation.†
7	Military and Naval Attachés.‡
2	Commercial Attachés.
34	Second Secretaries.
4	„ „ (local rank).§
19	Third Secretaries.
6	Attachés.
132	

There are also eight Honorary Attachés who receive no pay, and are not qualified for promotion.

In addition to the above, there are employed and paid from the Diplomatic Vote, 8 Translators and Clerks, 4 Dragomans and Interpreters (one with local rank as Second Secretary), 1 Registrar and Librarian (local rank as Second Secretary), 2 Physicians, 6 Chaplains, 1 Oriental Second Secretary (local rank as Second Secretary), 1 Chinese Secretary, and 1 Japanese Secretary (local rank as Second Secretary).

The salaries of the Ambassadors vary from 9,000*l.* to 5,500*l.* a year; those of the Ministers from 6,000*l.* to 1,250*l.* a year; those of Chargés d'Affaires, from 1,500*l.* to 1,000*l.*; and those of Secretaries of Embassy from 1,000*l.* to 700*l.*

Secretaries of Legation (with certain exceptions, see note) receive 500*l.* a year;* Commercial Attachés, 1,300*l.* and 1,000*l.* a year; Second Secretaries, 300*l.* to 500*l.* a year (this latter sum is assigned to the Senior at Peking, the general maximum being 450*l.*), Third Secretaries, 150*l.* a year.

Secretaries of Legation receive an allowance of 250*l.*, after 10 years' service, in addition to their salary.

Attachés do not receive salary until they have completed two years of actual service, after which period they obtain Commissions as Third Secretaries.

The salaries of the Military and Naval Attachés are provided for in the Army and Navy Votes.

The Registrar and Librarian at Paris, the first Dragoman at Constantinople, the Japanese Secretary at Tôkiô, and the Oriental Second Secretary at Tehran receive pay as such, but have local rank as Second Secretaries in the Diplomatic Service.

Allowances of 100*l.* a year are granted to Third Secretaries after examination before the Civil Service Commissioners, for knowledge of Public Law; and special allowances of 100*l.* a year are awarded to Secretaries or Attachés on proving that they possess a competent knowledge of the Russian, Turkish, Persian, Arabic, Japanese, or Chinese language while serving in any country where such language is vernacular.

Allowances according to a fixed scale are made—

(1.) For outfits on first appointment, promotion, or transfer.

(2.) To Secretaries acting as Chargés d'Affaires in the absence of the Heads of Missions.

Sums ranging from 100*l.* to 300*l.* a year are granted at Legations in South and Central America for clerk hire.

Embassy or Legation houses have been purchased or built for Her Majesty's Representatives at Paris, Vienna, Berlin, Constantinople, Rome, Madrid, Brussels, Lisbon, Washington, Tehran, Tangier, Peking, Tôkiô, and Bangkok; and houses are rented by Her Majesty's Government at St. Petersburgh, Copenhagen, and Athens, furniture for the state and official rooms being supplied, or an allowance granted in lieu thereof.

In other cases, with certain exceptions in Europe and South America, allowances are granted for house-rent.

* Sir E. Baring, who holds the rank of Minister Plenipotentiary in the Diplomatic Service, but who receives salary as Her Majesty's Agent and Consul-General in Egypt.

† One receives salary as Consul-General at Buda Pesth.

‡ Paid out of military and naval funds.

§ Rank being merely honorary, they do not receive salaries as Second Secretaries.

* Secretaries of Legation at Washington and Rio receive 700*l.* a year; at Peking and Tôkiô, 800*l.*; and at Tehran, 750*l.*

Secretaries of Embassy or Legation, Second and Third Secretaries, and Attachés, are, on first appointment, or on any subsequent removal for promotion or other public reason, allowed their actual travelling expenses according to regulations laid down.

Heads of Missions are appointed for not more than five years. At the expiration of such period, the question of their reappointment is open for the Secretary of State's consideration.

Members of the Service, on attaining the age of seventy years, are retired on the pension for which they may be qualified. But it is within the discretion of the Secretary of State to relax this rule when he may deem it beneficial to the Public Service.

The ordinary period of annual leave to which Heads of Missions are entitled is sixty days. They are also permitted to accumulate leave, *i.e.*, to take at one time leave to which they have become entitled during two years, on the condition that they shall have been present at their posts during the whole of the year preceding that in which leave is applied for.

During ordinary leave deduction is made from the salaries of Heads of Missions to provide for the allowances of the Acting Chargés d'Affaires. On the expiration of the sixty days or of the accumulated leave the deduction is at the rate of one-half their salaries.

Secretaries of Embassy and Legation and Junior Members of the Service are granted two months' leave in every year. They are also permitted to accumulate leave. Homeward and outward journeys are not counted as leave, it being understood that due expedition is used.

The question of exchanges, temporary or permanent, between members of the Diplomatic Service and Clerks in the Foreign Office, has been dealt with in the Memorandum relating to the Foreign Office.

Entrance to the Diplomatic Service is obtained by limited competition. The average number of candidates nominated by the Secretary of State to compete for each vacancy is about six.

Foreign Office,
May 10, 1889.

Appendix.

(5.)

MEMORANDUM.

Consular Service.

A COMPARISON of the expenditure for Consular services for the year 1869–70 (the earliest which is readily available) and that for 1887–88, included in the last Appropriation Account, gives the following results :—

	Gross Expenditure.	Receipts.	Net Expenditure.
	£	£	£
1869–70 -	262,421	50,523	211,898
1887–88 -	262,328	101,567	160,761

These figures show a reduction of over 50,000*l.* in the cost of the services to the Exchequer.

As regards what is obtained in return for the expenditure, reference should be made to the Reports of the two Committees of 1858 and 1872 on the Consular Service.

The Committee of 1872 summarised the recommendations of the previous Committee as follows :—

1. The establishment of a system of Consular education and promotion, chiefly with the view of preventing the necessity of employing any other than British subjects in the Levant and North Africa.
2. That Consuls should be prohibited from trading.
3. Diminution of the number of Vice-Consuls in Europe, and general abolition of their licence to trade.
4. Organisation and classification of the Service.
5. Appropriation of all fees to Government account (except in case of Unpaid Consuls), and collection of those fees by means of stamps if practicable.
6. Revision of Consular Instructions.

With regard to these recommendations the Committee, after taking them *seriatim*, and commenting upon the limited action which had been taken on them, stated that they had been unable to ascertain that they had ever been seriously taken in hand as a whole. The Committee, however, seemed to be impressed with the difficulties of the subject on the score of expense; but adverting to the tour of inspection which had been recently undertaken by Mr. Kennedy in Turkey and Egypt, recommended that it should be followed up without loss of time in other parts of the world.

The following is a summary of the steps taken to give effect, as far as practicable, to the foregoing recommendations :—

1. A system of education and promotion has been adopted for Consular officers in Turkey, the Levant, Persia, Greece and Morocco, where all posts of importance are now held by British subjects.

On Sir P. Currie's return from Constantinople, whither he accompanied Lord Salisbury in 1876, he prepared a scheme, which was accepted by the Government, for the education of young men selected by open competition for Interpretorial and Consular work. The arrangement, which has been in force for over 10 years, has resulted in providing the following set of officers :—

1	Vice-Consul Interpreter attached to the Embassy at Constantinople.	
1	Ditto attached to the Consulate-General at Constantinople.	
1	Ditto attached to the Legation at Tehran.	
1	Consul at - - -	Suakin.
1	Ditto - - -	Bengazi.
1	Vice-Consul - - -	Sophia.
1	Ditto - - -	Beyrout.
1	Ditto - - -	Van.
1	Ditto - - -	Alexandria.
1	Ditto - - -	Bourgas.
1	Ditto - - -	Monastir.
1	Ditto - - -	Rhodes.
1	Ditto - - -	Scutari.
1	Assistant - - -	Constantinople.
1	Ditto - - -	Ditto.
1	Ditto - - -	Ditto.
1	Ditto - - -	Smyrna.
1	Ditto - - -	Beyrout.
1	Ditto - - -	Cairo.
1	Ditto - - -	Sophia.
1	Ditto - - -	Salonica.
1	Ditto - - -	Tangier.
4	Students in training at -	Ortakeui.
26		

The Service being full, admission to it is at present suspended.

2. As to the prohibition of Consuls from trading.

The Consuls, with few exceptions, are so restricted. The restriction might be further extended were there more funds available. To make it universal as regards all Consuls and Vice-Consuls would entail enormous additional expense if the present Staff were retained, while serious inconvenience would be caused to British commerce if all Consular posts were abolished which, though useful, have not sufficient business to justify a salaried officer.

3. As to diminishing the number of Vice-Consuls in Europe allowed to trade.

This has been to some extent carried out by the promotions consequent on the institution, in the Levant, of the system described under No. 1, but it has not been possible to carry it further on account of the expense.

4. As to classifying the Service.

The general* Consular Service is now distinctly classified, being divided into two branches :—

(*a.*) Those who enter the Service as a career, after passing an examination before the Civil Service Commissioners, and are prohibited from trading;

* This does not apply to the Levant and China Services, to which admission is obtained by open competition.

Appendix.

(b.) Those either engaged in trade or who are permitted to do so.

This classification is found to work well, and to insure uniformity and good discipline.

5. As to appropriation of fees to Government.

Consular fees are now levied without exception on account of Her Majesty's Government, and are collected by means of fee stamps. The fees have also been extended and readjusted, as recommended by the Committee of 1872. Careful attention has been given to this point by the Foreign Office, with the satisfactory result that under the new Table of Consular Fees imposed in 1885, and revised in 1887, the fees, &c. have risen from 69,578*l.* in 1884–85 to 101,567*l.* in 1887–88.

6. As to the revision of the Consular Instructions.

The Board of Trade Instructions have been revised from time to time, the last revise having been in 1888.

The General Consular Instructions were revised in 1879; they have now been entirely reconsidered, chapter by chapter, revised, and rearranged. They will shortly be distributed in their new shape.

As regards the continuance of the visits of inspection recommended by the Committee of 1872, it may be mentioned that shortly afterwards such visits were paid by Mr. Wylde in Spain, Portugal, Morocco, Italy, and Greece; by Mr. Kennedy in France, Belgium, and Holland; and by Mr. Buckley in Germany and other parts of Northern Europe. The Reports received were in great part adopted. Recently Sir C. Hill visited and reported fully upon the Consular establishments in the West Indies and other parts of the Spanish Main.

The Consulates in the United States were reorganized in 1886, after receipt and consideration of a Report made by Mr. Saurin, then Secretary to Her Majesty's Legation at Washington, after a visit of inspection through the Western States of the Union.

Steps have been taken in accordance with other recommendations of the Committee of 1872. Thus an allowance of a certain additional number of years has been given in calculating pensions for residence in tropical and unhealthy climates. The regulations as to leave of absence have been modified, and travelling allowances assigned after five years of uninterrupted residence, or on medical certificate. Redundant posts have been abolished.

The funds voted by Parliament for Consular services have been applied, so far as circumstances have allowed, in the directions recommended by the Committees of 1858 and 1872.

It has not been found practicable to give effect to the proposal to consolidate still further the functions of Diplomatic and Consular officers.

The care bestowed by Consular officers upon Commercial Reports is one of the most marked features of progress in the Service.

The object of the Foreign Office has been to adapt the provision made for Consular duties in each post to the special requirements of the place, and with that view the arrangements are constantly revised with Treasury sanction. Salaries reduced in one place are increased in another. Non-trading Consulates are transferred from posts where business is decaying to others where it is in process of development, and in this manner every effort is made to keep pace with the changing demands of British commerce.

The Consular Service in China and Japan and Siam, of which the Committee of 1858 expressed their unqualified approbation as a well-organized establishment, retains its efficiency.

The number of Consulates in China was increased from 13 to 19 as a consequence of the Convention of Chefoo, but no additional charge was thereby imposed on the Vote, as the money was provided by the suppression of the class of Interpreters, which was referred to as desirable in the Report of the Committee of 1872. Savings effected by the abolition of the Vice-Consulate at Whampoa have lately been applied, with Treasury sanction, to equalizing the salaries of certain Consuls in China, whose minimum has been raised from 700*l.* or 750*l.* to 800*l.* a year. An inquiry into the China Consular Establishment is about to be held by Mr. Howard, Secretary to Her Majesty's Legation at Peking, who has been instructed to make a tour of inspection round the several Consulates in China with a view to ascertain whether any readjustments and economies can be effected.

It is also proposed to establish a Regulation under which Consular officers in China in the receipt of salaries of 400*l.* a year and over will be required to contribute towards the cost of the Medical Establishment.

Foreign Office,

May 1889.

(6.)

Paper handed in by Sir Philip Currie.

STATEMENT showing TOTAL COST for SALARIES, HOUSE RENT, and ALLOWANCES at the several EMBASSIES and MISSIONS abroad, defrayed out of the VOTE FOR DIPLOMATIC SERVICES.

Country.	Rank.	Salary.	Rent.	Total.
		£	£	£
Anhalt. (*See* Germany.)				
Argentine Republic and Paraguay.	Envoy Extraordinary and Minister Plenipotentiary.	3,000	400	
	Secretary of Legation -	500	—	
	Second Secretary - -	450	—	
	Clerk - - -	200	—	
		4,150	400	4,550
Austria - -	Ambassador - - -	8,000	—	
	Secretary of Embassy -	850	150	
	Three Second Secretaries -	1,170	—	
	Third Secretary - -	250	—	
	Chaplain - - -	300	—	
		10,570	150	10,720
Baden. (*See* Darmstadt.)				
Bavaria -	Chargé d'Affaires - -	1,500	200	
	Second Secretary - -	345	—	
		1,845	200	2,045
Belgium - -	Envoy Extraordinary and Minister Plenipotentiary.	3,230	—	
	Secretary of Legation -	500	—	
	Second Secretary - -	375	—	
	Third Secretary - -	250	—	
		4,355	—	4,355
Brazil - -	Envoy Extraordinary and Minister Plenipotentiary.	4,000	500	
	Secretary of Legation -	700	—	
	Second Secretary - -	830	—	
	Translator - - -	800	—	
		5,330	500	5,830
Brunswick. (*See* Germany.)				
Bulgaria - -	Agent - - -	1,500	—	1,500
Central America - Guatemala. Costa Rica. Honduras. Nicaragua, and Salvador.	Minister Resident - -	2,000	—	2,000
Chile - -	Minister Resident - -	2,000	—	
	Clerk—Allowance for -	250	—	
		2,250	—	2,250
China and Corea. (*See* end of Statement.)				
Coburg - -	Secretary of Legation -	500	200	
	Allowance for carriage hire -	100	—	
		600	200	800
Colombia - -	Minister Resident - -	2,000	—	
	Clerk, allowance for -	100	—	
		2,100	—	2,100
Corea. (*See* China.)				

Country.	Rank.	Salary.	Rent.	Total.
		£	£	£
Darmstadt and Baden.	Chargé d'Affaires	1,050	200	
	Travelling Allowance	100	—	
		1,150	200	1,350
Denmark	Envoy Extraordinary and Minister Plenipotentiary.	3,000	—	
	Secretary of Legation	500	—	
	Second Secretary	435	—	
	Chaplain	200	—	
		4,135	—	4,135
Egypt	Minister Plenipotentiary	5,000	—	
	Two Second Secretaries	905	200	
	Third Secretary	350	200	
		6,255	400	6,655
Equator	Minister Resident	1,400	—	
	Clerk, allowance for	150	—	
		1,550	—	1,550
France	Ambassador	9,000	—	
	Secretary of Embassy	1,000	200	
	Three Second Secretaries	1,245	—	
	Two Third Secretaries	500	—	
	Commercial Attaché	1,300	200	
	Registrar	650	—	
	Fuel and light allowance	1,000	—	
	Commuted allowance to cover divers expenses including insurance of Embassy.	500	—	
		15,295	400	15,695
Germany	Ambassador	7,500	—	
Mecklenburg-Schwerin.	Secretary of Embassy	850	150	
Mecklenburg-Strelitz.	Three Second Secretaries	1,110	—	
Anhalt.	One Third Secretary	250	—	
Saxe Weimar.	Journeys, allowance for	200	—	
Brunswick. Oldenburg.		9,910	150	10,060
Greece	Envoy Extraordinary and Minister Plenipotentiary.	3,500	—	
	Secretary of Legation	500	—	
	Second Secretary	300	—	
	Chaplain	100	—	
	Clerk and Translator	200	—	
	Third Secretary	250	—	
		4,850	—	4,850
Italy	Ambassador	7,000	—	
	Secretary of Embassy	800	100	
	Two Second Secretaries	735	—	
	One Third Secretary	250	—	
		8,785	100	8,885
Japan	Envoy Extraordinary and Minister Plenipotentiary.	4,000	—	
	Secretary of Legation	800	—	
	Second Secretary	400	100	
	Japanese Secretary	700	150	
		5,900	250	6,150
Mecklenburg-Schwerin, Mecklenburg-Strelitz. (*See* Germany.)				
Mexico	Envoy Extraordinary and Minister Plenipotentiary.	3,000	600	
	Secretary of Legation	500	—	
	Translator	300	—	
	Clerk, allowance for	150	—	
		3,950	600	4,550
Montenegro	Chargé d'Affaires	1,000	160	1,160
Morocco	Envoy Extraordinary and Minister Plenipotentiary.	2,000	—	
	Interpreter	60	—	
	Clerk	150	—	
		2,210	—	2,210
Netherlands	Envoy Extraordinary and Minister Plenipotentiary.	3,600	333	
	Secretary of Legation	750	—	
	Second Secretary	405	—	
		4,755	333	5,088
Oldenburg. (*See* Germany.)				
Paraguay. (*See* Argentine Republic.)				
Persia	Envoy Extraordinary and Minister Plenipotentiary.	5,000	—	
	Secretary of Legation	750	—	
	Third Secretary	250	—	
	Oriental Second Secretary	400	—	
	Translator	300	—	
	Clerk	150	—	
	Physician	600	—	
		7,450	—	7,450

Country.	Rank.	Salary.	Rent.	Total.
		£	£	£
Peru	Minister Resident	2,000	—	
	Clerk, allowance for	300	—	
		2,300	—	2,300
Portugal	Envoy Extraordinary and Minister Plenipotentiary.	3,750	—	
	Secretary of Legation	500	—	
	Second Secretary	420	—	
	Translator	300	—	
		4,970	—	4,970
Roumania	Envoy Extraordinary and Minister Plenipotentiary.	2,400	-	
	Clerk, allowance for	250	—	
		2,650	—	2,650
Russia	Ambassador	7,800	—	
	Secretary of Embassy	900	150	
	Two Second Secretaries	980	—	
	Three Third Secretaries	1,050	—	
	Commercial Attaché	1,000	—	
	Translator	300	—	
		12,030	150	12,180
Saxe Weimar. (*See* Germany.)				
Saxony	Secretary of Legation	750	200	950
Servia	Envoy Extraordinary and Minister Plenipotentiary.	1,800	—	
	Clerk, allowance for	250	—	
		2,050	—	2,050
Siam	Minister Resident	1,600	—	1,600
Spain	Ambassador	5,500	—	
	Secretary of Embassy	700	—	
	Three Second Secretaries	1,065	—	
	Third Secretary	250	—	
	Chaplain	200	—	
	Clerk	300	—	
		8,015	—	8,015
Sweden	Envoy Extraordinary and Minister Plenipotentiary.	3,000	400	
	Secretary of Legation	500	—	
	Third Secretary	250	—	
		3,750	400	4,150
Switzerland	Envoy Extraordinary and Minister Plenipotentiary.	1,250	200	
	Second Secretary	420	—	
		1,650	200	1,850
Turkey	Ambassador	8,000	—	
	Secretary of Embassy	900	150	
	Three Second Secretaries	1,290	—	
	Two Archivist allowances	250	—	
	Three Third Secretaries	1,050	—	
	Chaplain	300	100	
	Physician	700	—	
	Two Dragomans	1,500	—	
		13,990	250	14,240
United States	Envoy Extraordinary and Minister Plenipotentiary.	6,000	—	
	Secretary of Legation	700	—	
	Two Second Secretaries	760	—	
	One Third Secretary	250	—	
		7,710	—	7,710
Uruguay	Minister Resident	1,600	—	
	Clerk, allowance for	150	—	
		1,750	—	1,750
Wurtemburg	Minister Resident	1,250	200	
	Third Secretary	250	—	
		1,500	200	1,700
China	Envoy Extraordinary and Minister Plenipotentiary.	5,500	—	
	Secretary of Legation	800	—	
	Chinese Secretary	800	—	
	Second Secretary	500	—	
	Chaplain	200	—	
		7,800	—	7,800

Total, £189,853.

(7.)

Paper handed in by Sir Philip Currie. See Question 26,840.

CONDITIONS OF ADMISSION TO THE FRENCH, GERMAN, AUSTRIAN, AND ITALIAN FOREIGN OFFICES.

France.

To obtain admission to the French Foreign Office candidates must in the first place obtain authority to pass the examination. For that purpose they must apply to the Minister for Foreign Affairs stating their qualifications, where they have studied, what family they belong to, and other particulars. The Minister has full power to admit or reject any candidate at this preliminary stage. The candidates whose applications have been granted have then to undergo a competitive examination.

Those who are successful are called upon to pass a second examination after a period of three years' probation in the Foreign Office. It is only after this second examination that appointments are made to third secretaryships abroad, or to corresponding posts in the Foreign Office.

Germany.

All nominations and appointments to the German Foreign Office and Diplomatic Service are entirely in the hands of the Chancellor of the Empire, or of the Secretary of State for Foreign Affairs. There is no competitive examination.

Selection is generally made from among those who have been at the Universities and have passed the general Civil Service examination, which includes law. On personal presentation or recommendation, they are admitted to serve either as attachés abroad, or, on probation, in the Foreign Office. After serving abroad for one year attachés are required to pass a test examination in history and international law, and also a short oral examination. They are then appointed to be secretaries.

The copyists and clerks of the lower division are chosen from among those who have passed through the public schools, after reliable information has been obtained that they are trustworthy and respectable.

The political department of the Foreign Office is separate, and nomination to it depends entirely upon selection by the Chancellor, who calls in whomever he likes from foreign service or anywhere else.

Austria.

Nominations and appointments in the Austrian Foreign Office and Diplomatic Service are in the hands of the Minister for Foreign Affairs.

Candidates are employed for one year in the Foreign Office or at some Embassy or Legation abroad, after which time they are required to pass an examination.

Italy.

Candidates are admitted to compete for admission to the Italian Foreign Office and Diplomatic Service on the following conditions:—

1. That they are Italian subjects.
2. That they have completed the 20th and not exceeded the 30th year of their age.
3. That they have been granted a degree (diploma) by one of the Universities, or by an equivalent institution.
4. That they are provided with sufficient means. Candidates have to prove that they possess an annual income of at least *3,000 lire for the Foreign Office, and †8,000 lire for the Diplomatic Service.
5. That they are of good family and well connected, and of good conduct.

The successful candidates in the competitive examination having satisfied the Authorities on the above points, may express their wishes as to whether they will enter the Foreign Office, or the Diplomatic or Consular Services; but the appointments ultimately rest with the Minister for Foreign Affairs, who determines to which branch of the service they shall be named, after having taken into consideration their qualifications and the circumstances of their family and fortune.

* About 110*l.* † About 300*l.*

(8.)

Paper handed in by Sir Philip Currie. See Question 26,841.

STATEMENT showing the MINIMUM and MAXIMUM SALARIES of the FOREIGN OFFICE, and the AMOUNT VOTED for the Year 1889–90.

Number.	Office.	Minimum.	Maximum.	Amount Voted for 1889–90.
		£	£	£
1	Under Secretary of State	2,300	2,300	2,300
1	Assistant do.	1,500	1,500	1,500
1	Do. do.	1,200	1,500	1,500*
1	Chief clerk	1,000	1,250	1,250
5	Senior clerks	4,500	5,000	5,100
7	Assistant clerks	4,900	5,600	5,574
20	First class junior clerks	4,000	12,000	7,610
4	Second do. do.	400	800	494
1	Librarian	700	1,000	1,000
1	Assistant, Librarian's Department	550	650	575
2	1st class clerks, do.	800	1,000	950
4	2nd do. do.	1,000	1,440	1,439
4	3rd do. do.	400	960	762
1	Superintendent, Treaty Department	700	1,000	898
1	Assistant do.	550	650	559
1	Clerk, 3rd class do.	100	240	15
3	Clerks, Chief Clerk's Department	1,200	1,600	1,447
1	Oriental interpreter	400	400	400
17	Clerks, Lower Division	1,690	3,730	2,070
1	Clerk, Passport Office	350	350	350
1	Private secretary to Secretary of State	300	300	300
1	Précis writer do.	300	300	300
1	Private secretary to Permanent Under Secretary	150	150	150
1	Do. Parliamentary Under Secretary	150	150	150
4	Resident clerks	200	200	200
	Junior clerks for translations	292	292	292
		29,632	44,362	37,285
1	Legal assistant	1,000	1,000	1,000
		30,632	45,362	38,285

* Reduced to a fixed salary of 1,200*l.* a year since Estimate was presented to Parliament.

(9.)

Paper handed in by Sir Philip Currie (see Questions Nos. 26,841–2). Cost of French and German Foreign Offices.

French Foreign Office.

Traitements des Agents du Ministère des Affaires étrangères, 1889.

Traitements des Bureaux.

Cabinet du Ministre.

		francs.
1 Chef		10,000
1 chef adjoint		6,000
Cabinet.	1 commis principal	2,200
	1 attaché payé faisant fonctions de commis principal	2,000
	1 attaché payé	2,000
Service de la Presse.	1 chef	4,000
	1 commis principal	2,000
	1 traducteur	4,000
Bureau du chiffre.	1 chef	8,000
	1 sous-chef	6,500
	1 commis principal	5,000
	4 attachés payés (de 1,800 à 4,000 fr.)	12,800
Bureau du départ et de l'arrivée des correspondances et des courriers.	1 chef	6,000
	1 sous-chef	4,500
	1 attaché payé	2,500
Bureau des traducteurs.	1 sous-directeur faisant fonctions de chef	9,000
	3 attachés payés (de 2,400 à 3,000 fr.)	7,800

Service du protocole.

1 chef	10,000
1 rédacteur faisant fonctions de sous-chef	4,000
1 expéditionnaire	2,000

Direction des affaires politiques et du contentieux.

1 directeur		20,000
Bureau d'ordre et du personnel diplomatique.	3 rédacteurs (de 3,000 à 4,000 fr.)	10,500
	3 commis principaux (de 2,000 à 2,500 fr.)	7,000
	4 attachés payés (de 1,600 à 2,000 fr.)	7,600
Sous-direction du Nord et de l'Extrême-Orient.	1 sous-directeur	10,000
	2 rédacteurs faisant fonctions de chefs (à 4,000)	8,000
	3 rédacteurs (à 4,000 et 3,000 fr.)	10,000
	2 attachés payés (à 2,000 fr.)	4,000
Sous-direction du Midi et de l'Orient.	1 sous-directeur	9,000
	2 rédacteurs faisant fonctions de chefs (à 5,000 et 4,000 fr.)	9,000
	1 rédacteur	3,000
	4 commis principaux faisant fonctions de sous-chefs	10,500
Carried forward		

		francs.
Brought forward		
Sous-direction des pays placés sous le protectorat de la France.	1 sous-directeur	12,000
	2 rédacteurs faisant fonctions de chefs (à 4,000 fr.)	8,000
	2 rédacteurs (à 3,000 fr.)	6,000
	3 commis principaux (à 2,500 fr.)	7,500
	4 attachés payés (de 1,600 à 2,000 fr.)	7,600
Sous-direction du contentieux.	1 sous-directeur	11,000
	1 rédacteur	4,000
	2 commis principaux (à 2,500 fr.)	5,000
	2 attachés payés (à 2,000 fr.)	4,000

Direction des affaires commerciales et consulaires.

1 directeur		22,000
Bureau d'ordre et du personnel.	1 sous-directeur faisant fonctions de chef	11,000
	2 rédacteurs (à 3,500 et 4,000 fr.)	7,500
Sous-direction des affaires commerciales.	1 sous-directeur	10,000
	2 rédacteurs (à 5,000 fr.)	10,000
	1 commis principal (à 2,400 fr.)	2,400
	1 attaché payé (à 2,000 fr.)	2,000
	1 expéditionnaire	2,300
Sous-direction des Affaires consulaires.	1 sous-directeur	13,000
	2 rédacteurs (à 5,200 et 3,600 fr.)	8,800
	2 commis principaux (à 3,000 et 2,300 fr.)	5,300
	1 expéditionnaire	2,300
Sous-direction des affaires de chancellerie.	1 sous-directeur	12,000
	1 sous-directeur adjoint	6,000
	3 rédacteurs (de 5,000 à 7,000 fr.)	17,800
	3 commis principaux (à 2,600 et 4,000 fr.)	9,600
	1 attaché payé (à 2,500 fr.)	2,500
	4 expéditionnaires (de 1,200 à 2,500 fr.)	7,500
	30 attachés (à 1,500 fr.) (Cabinet, Direction politique, Direction commerciale)	45,000

Division des archives.

1 chef de division	14,000
9 rédacteurs faisant fonctions de chefs (à 3,600 et 3,300)	6,900
2 commis principaux (à 2,400 et 2,200 fr.)	4,600
3 attachés payés (de 1,500 à 2,500 fr.)	5,500
1 bibliothécaire	6,500
Dépôt géographique. 1 géographe	7,000
1 attaché payé	2,200

Division des fonds et de la comptabilité.

1 chef de division	12,000
3 chefs de bureau (de 5,000 à 7,500 fr.)	18,500
1 rédacteur faisant fonctions de sous-chef	4,000
3 commis principaux faisant fonctions de sous-chefs (de 3,200 à 3,700 fr.)	10,100
11 attachés payés (de 1,500 à 3,000 fr.)	23,800
	596,100 = £23,844

German Foreign Office.

The total cost of the German Foreign Office, as given in the budget for 1889–90, is 1,502,190 marks, or, 75,109*l.* 10*s.* No details are given in the budget.

(10.)

Paper handed in by Sir Philip Currie. See Question 26,910.

The following statement shows the various countries which maintain diplomatic representatives at the lesser German Courts:—

ANHALT:

Austria-Hungary (Minister at Dresden).
Belgium (Minister at Berlin).
France (Ambassador at Berlin).
Great Britain (Ambassador at Berlin).
Prussia (Minister at Dresden).

BADEN:

Austria-Hungary (Minister at Stuttgardt).
Bavaria (Minister at Stuttgardt).
Belgium (Minister at Berlin).
Brazil (Minister at Berlin).
Spain (Ambassador at Berlin).
Great Britain (Chargé d'Affaires at Darmstadt).
Italy (Ambassador at Berlin).
Prussia.
Russia (Minister at Stuttgardt).
Saxony (Minister at Munich).
Sweden (Minister at Berlin).

BAVARIA:

Austria-Hungary.
Belgium (Minister at Berlin).
Brazil (Minister at Berlin).
Spain (Ambassador at Berlin).
France.
Great Britain.
Italy.
Netherlands (Minister at Berlin).
Prussia.
Russia.
Saxony.
The Pope.
Switzerland (Minister at Berlin).
Wurtemberg.

BRUNSWICK:

Austria-Hungary (Ambassador at Berlin).
Belgium (Minister at Berlin).
France (Ambassador at Berlin).
Great Britain (Ambassador at Berlin).
Italy (Ambassador at Berlin).
Prussia.
Russia (Minister at Dresden).

HESSE DARMSTADT:

Austria-Hungary (Minister at Stuttgardt).
Bavaria (Minister at Stuttgardt).
Brazil (Minister at Berlin).
Spain (Ambassador at Berlin).
Great Britain.
Italy (Ambassador at Berlin).
Prussia.
Russia (Minister at Munich).
Saxony (Minister at Munich).
Wurtemberg (Minister at Munich).

MECKLENBURG SCHWERIN:

Austria-Hungary (Ambassador at Berlin).
Brazil (Minister at Berlin).
Spain (Ambassador at Berlin).
Great Britain (Ambassador at Berlin).
Italy (Ambassador at Berlin).
Prussia.
Russia (Ambassador at Berlin).

MECKLENBURG STRELITZ:

Austria-Hungary (Ambassador at Berlin).
Brazil (Minister at Berlin).
Spain (Ambassador at Berlin).
Great Britain (Ambassador at Berlin).
Italy (Ambassador at Berlin).
Prussia.
Russia (Ambassador at Berlin).

OLDENBURG:

Austria-Hungary (Ambassador at Berlin).
Brazil (Minister at Berlin).
Great Britain (Ambassador at Berlin).
Italy (Ambassador at Berlin).
Prussia.
Russia (Minister at Dresden).

SAXONY:

Austria-Hungary.
Bavaria.
Belgium (Minister at Berlin).
Brazil (Minister at Berlin).
Spain (Ambassador at Berlin).
Great Britain.
Greece.
Italy (Ambassador at Berlin).
Netherlands (Minister at Berlin).
Portugal (Minister at Berlin).
Prussia.
Russia.
Sweden (Minister at Berlin).
Wurtemberg (Minister at Munich).

SAXE-COBURG AND GOTHA:

Austria-Hungary.
Brazil (Minister at Berlin).
Great Britain.
Italy (Ambassador at Berlin).
Portugal (Minister at Berlin).
Prussia.
Saxony (Minister at Weimar).

SAXE-MEININGEN:

Austria-Hungary (Minister at Dresden).
Italy (Ambassador at Berlin).
Prussia.
Saxony (Minister at Weimar).

SAXE-WEIMAR:

Austria-Hungary (Minister at Dresden).
Spain (Ambassador at Berlin).
Great Britain (Ambassador at Berlin).
Italy (Ambassador at Berlin).
Netherlands (Minister at Berlin).
Prussia.
Russia.
Saxony.

WALDECK:

Great Britain (Chargé d'Affaires at Coburg).
Netherlands (Minister at Berlin).

WURTEMBERG:

Austria-Hungary.
Bavaria.
Brazil (Minister at Berlin).
Spain (Ambassador at Berlin).
Great Britain.
Italy (Ambassador at Berlin).
Netherlands (Minister at Berlin).
Prussia.
Russia.
Saxony (Minister at Munich).

(11.)

TABLE showing the COST of the DIPLOMATIC ESTABLISHMENTS of GREAT BRITAIN, FRANCE, GERMANY, PRUSSIA, ITALY, and RUSSIA.

Country to which Embassies, &c., are accredited.	Cost of Diplomatic Establishments.					
	Great Britain.	France.	Germany.	Prussia.	Italy.	Russia.
	£	£	£	£	£	£
Argentine Republic	4,550	3,760	3,170	—	3,550	—
Austria	10,720	8,860	8,055	—	8,008	11,520
Bavaria	2,045	2,960	—	3,015	—	4,000
Belgium	4,355	3,640	2,820	—	1,617	4,000
Brazil	5,830	3,800	3,345	—	2,643	3,520
Bulgaria	1,500	—	—	—	—	—
Central America	2,000	1,520	2,175	—	—	—
Chile	2,250	2,800	2,175	—	—	—
China	7,800	5,200	4,350	—	3,432	7,776
Coburg	800	—	—	—	—	—
Columbia	2,100	1,520	2,100	—	—	—
Darmstadt and Baden	1,350	—	—	3,090	—	—
Denmark	4,135	3,080	2,340	—	2,012	4,000
Egypt	6,655	2,040	—	—	—	—
Equator	1,550	1,360	—	—	—	—
France	15,695	—	9,265	—	9,112	10,720
Germany	10,060	8,940	—	4,170	7,890	10,720
Great Britain	—	10,140	9,817	—	6,746	12,650
Greece	4,850	3,820	2,940	—	2,288	4,000
Hayti	—	1,760	—	—	—	—
Italy	8,885	7,000	7,152	—	—	10,140
„ Vatican	—	5,920	—	4,500	—	—
Japan	6,150	4,720	4,200	—	2,919	6,160
Mexico	4,550	3,280	2,175	—	—	—
Monaco	—	—	—	—	2,090	—
Montenegro	1,160	1,360	—	—	—	2,080
Morocco	2,210	2,780	2,040	—	1,026	—
Netherlands	5,088	3,600	2,850	—	2,170	3,680
Persia	7,450	3,160	4,375	—	—	6,080
Peru	2,300	3,320	2,175	—	—	—
Portugal	4,970	3,840	2,580	—	2,525	3,360
Roumania	2,650	3,600	3,100	—	2,446	3,800
Russia	12,180	13,080	12,155	—	7,732	—
Saxony	950	—	—	1,755	—	—
Servia	2,050	2,760	2,250	—	1,913	4,340
Siam	1,600	1,600	2,100	—	—	—
Spain	8,015	7,080	6,825	—	4,536	5,600
Sweden	4,150	2,960	2,570	—	1,736	4,000
Switzerland	1,850	3,860	2,370	—	2,288	3,680
Tunis	—	1,440	—	—	—	—
Turkey	14,240	10,000	9,345	—	7,179	14,210
United States	7,710	4,360	4,110	—	3,432	7,520
Uruguay	1,750	2,760	—	—	—	—
Venezuela	—	1,960	2,100	—	—	—
Wurtemburg	1,700	—	—	1,740	—	—
Bolivia	—	1,520	—	—	—	—
TOTAL £	189,853	161,160	127,024	18,270	89,290	147,556
			145,294			

NOTE.—This Table is an epitome of the five following Papers handed in by Sir P. Currie.

(12.)

Paper handed in by Sir Philip Currie. *See Question* 26,963.

SALARIES, &c. of FRENCH DIPLOMATIC SERVICE.

Country.	Salary.	House Rent, &c.
ARGENTINE REPUBLIC:	£	
Minister Plenipotentiary	960	
Frais de Représentation	1,800	
Second Secretary	400	
Third „	200	
Chancelier	400	
	3,760	

Country.	Salary.	House Rent, &c.
AUSTRIA-HUNGARY:		
Ambassador	1,600	
Frais de Représentation	5,200	
Conseiller d'Ambassade	720	
First Secretary	480	
Second „	400	
Attaché	60	
„ authorised	Unpaid	
„ „	Unpaid	
Chancelier	400	
	8,860	

Country.	Salary.	House Rent, &c.
	£	
BAVARIA:		
Minister Plenipotentiary	1,200	
Frais de Représentation	800	
First Secretary	480	
Third „	200	
Chancelier	280	
	2,960	
BELGIUM:		
Minister Plenipotentiary	1,200	
Frais de Représentation	1,200	
First Secretary	480	
Third „	200	
„ „	200	
Chancelier	360	
	3,640	
BOLIVIA:		
Chargé d'Affaires (and Consul-General).	1,200	
Chancelier	320	
	1,520	
BRAZIL:		
Minister Plenipotentiary	1,200	
Frais de Représentation	2,000	
Second Secretary	400	
Third „	200	
	3,800	
CHILE:		
Minister Plenipotentiary	960	
Frais de Représentation	1,040	
Second Secretary	400	
Chancelier	400	
	2,800	
CHINA:		
Minister Plenipotentiary	960	House for whole staff provided.
Frais de Représentation	2,200	
First Secretary	480	
Third „	200	
First Interpreter	640	
Second „	400	
Chancelier Interpreter	320	
	5,200	
COLOMBIA:		
Chargé d'Affaires (and Consul-General).	1,200	
Chancelier	320	
	1,520	
DENMARK:		
Minister Plenipotentiary	960	
Frais de Représentation	1,040	
First Secretary	480	
Third „	200	
Chancelier	400	
	3,080	
EGYPT:		
Minister Plenipotentiary	960	House provided.
First Secretary	480	
Third „	200	
First Dragoman	400	
	2,040	
EQUATOR:		
Chargé d'Affaires	1,040	
Chancelier	320	
	1,360	
GERMANY:		
Ambassador	1,600	Embassy house provided.
Frais de Représentation	4,000	
Conseiller d'Ambassade	720	
First Secretary	480	
Second „	400	
„ „	400	
Third „	200	
„ „	200	
„ „	200	
„ „	200	
Attaché	60	
Chancelier	480	
	8,940	

Country.	Salary.	House Rent, &c.
	£	
GREAT BRITAIN:		
Ambassador	1,600	Embassy house provided.
Frais de Représentation	6,400	
Conseiller d'Ambassade	720	
First Secretary	480	
Third „	200	
„ „	200	
„ „	200	
Attaché	60	
Archivist	280	
	10,140	
GREECE:		
Minister Plenipotentiary	1,200	
Frais de Représentation	1,440	
Second Secretary	400	
„ „	400	
Attaché	60	
Chancelier	320	
	3,820	
GUATEMALA:		
Chargé d'Affaires (and Consul-General).	1,200	
Chancelier	320	
	1,520	
HAYTI:		
Minister Plenipotentiary	960	
Frais de Représentation	480	
Chancelier	320	
	1,760	
ITALY:		
Ambassador	1,600	
Frais de Représentation	2,800	
Conseiller d'Ambassade	720	
First Secretary	480	
Second „	400	
„ „	400	
Third „	200	
Attaché authorised	Unpaid	
Chancelier	400	
	7,000	
ITALY (VATICAN):		
Ambassador	1,600	
Frais de Représentation	2,800	
Conseiller d'Ambassade	720	
Second Secretary	400	
Third „	200	
Attaché, authorised	Unpaid	
Chancelier	200	
	5,920	
JAPAN:		
Minister Plenipotentiary	1,200	House for whole staff provided.
Frais de Représentation	1,960	
First Secretary	480	
Second „	400	
First Interpreter	400	
Second	280	
	4,720	
MEXICO:		
Minister Plenipotentiary	960	
Frais de Représentation	1,440	
First Secretary	480	
Chancelier	400	
	3,280	
MONTENEGRO:		
Minister Plenipotentiary, Second Class.	960	
Second Secretary	400	
	1,360	
MOROCCO:		
Minister Plenipotentiary	1,200	House provided.
Frais de Représentation	320	
Second Secretary	400	
Third „	200	
Attaché, authorised	Unpaid	
First Dragoman	360	
Chancelier	300	
	2,780	

Country.	Salary.	House Rent, &c.
NETHERLANDS:	£	
Minister Plenipotentiary	1,200	
Frais de Représentation	1,200	
First Secretary	480	
Second „	400	
Chancelier	320	
	3,600	
PERSIA:		
Minister Plenipotentiary	1,200	
Frais de Représentation	800	
Second Secretary	400	
First Dragoman	400	
Chancelier-Dragoman	360	
	3,160	
PERU:		
Minister Plenipotentiary	1,200	
Frais de Représentation	1,040	
First Secretary	480	
Third „	200	
Chancelier	400	
	3,320	
PORTUGAL:		
Minister Plenipotentiary	1,200	
Frais de Représentation	1,200	
First Secretary	480	
Second „	400	
Third „	200	
Chancelier	360	
	3,840	
ROUMANIA:		
Minister Plenipotentiary	1,200	
Frais de Représentation	1,200	
First Secretary	480	
Second „	400	
Chancelier	320	
	3,600	
RUSSIA:		
Ambassador	1,600	
Frais de Représentation	8,400	
Conseiller d'Ambassade	720	
First Secretary	480	
Second „	400	
„ „	400	
Third „	200	
„ „	200	
„ „	200	
Attaché, authorised	Unpaid	
Chancelier	480	
	13,080	
SERVIA:		
Minister Plenipotentiary	960	
Frais de Représentation	640	
First Secretary	480	
Second „	400	
Chancelier	280	
	2,760	
SIAM:		
Chargé d'Affaires (and Consul-General).	1,000	House provided.
Chancelier Interpreter	400	
Interpreter	200	
	1,600	

Country.	Salary.	House Rent, &c.
SPAIN:	£	
Ambassador	1,600	Embassy house provided.
Frais de Représentation	3,200	
Conseiller d'Ambassade	720	
First Secretary	480	
„ „	480	
Third „	200	
Attaché, authorised	Unpaid	
Chancelier	400	
	7,080	
SWEDEN AND NORWAY:		
Minister Plenipotentiary	960	
Frais de Représentation	800	
First Secretary	480	
Third „	200	
„ „	200	
Chancelier	320	
	2,960	
SWITZERLAND:		
Ambassador	1,600	Embassy house provided.
Frais de Représentation	800	
First Secretary	480	
Second „	400	
Third „	200	
Attaché, authorised	Unpaid	
Chancelier	380	
	3,860	
TUNIS:		
Minister Plenipotentiary and Resident-General.	960	
First Secretary	480	
	1,440	
TURKEY:		
Ambassador	1,600	Embassy houses at Pera and Therapia provided.
Frais de Représentation	3,600	
Conseiller d'Ambassade	720	
Second Secretary	400	
„ „	400	
Third „	200	
„ „	200	
„ „	200	
Attaché	60	
„	60	
First Dragoman, Consul-General	800	
Second Dragoman, Consul Second Class.	480	
Archivist, Consul Second Class	400	
Second Dragoman	400	
Third „	240	
„ „	240	
	10,000	
UNITED STATES:		
Minister Plenipotentiary	1,200	
Frais de Représentation	2,000	
First Secretary	480	
Third „	200	
Chancelier	480	
	4,360	
URUGUAY:		
Minister Plenipotentiary	960	
Frais de Représentation	800	
Second Secretary	400	
Third „	200	
Chancelier	400	
	2,760	
VENEZUELA:		
Minister Plenipotentiary	960	
Frais de Représentation	480	
Third Secretary	200	
Chancelier	320	
	1,960	

Total cost of above, 161,160*l.*

(13.)

Paper handed in by Sir Philip Currie. See Question 26,963.

Salaries, &c. of Italian Diplomatic Service.

Country.	Salaries, &c.	House Rent.	Totals.
	£ s. d.	£ s. d.	£ s. d.
Argentine Republic:			
Minister	355 0 7	—	
Frais de Représentation	2,209 1 5	—	
First Secretary	157 15 10	—	
Frais de Représentation	355 0 7	—	
Second Secretary	118 6 10	—	
Frais de Représentation	355 0 7	—	3,550 5 10
Austria-Hungary:			
Ambassador	591 14 4	1,104 10 8	
Frais de Représentation	5,680 9 6	—	
First Secretary	157 15 10	—	
Frais de Représentation	355 0 7	—	
Second Secretary	118 6 10	—	8,007 17 9
Belgium:			
Minister*	—	—	
Frais de Représentation	1,262 6 7	—	
Conseiller	197 4 9	—	
Frais de Représentation	157 15 10	—	1,617 7 2
Brazil:			
Conseiller	197 4 9	—	
Frais de Représentation	1,972 7 9	—	
Second Secretary	118 6 10	—	
Frais de Représentation	355 0 7	—	2,642 19 11
China:			
Conseiller, with rank of Minister	197 4 9	House provided.	
Frais de Représentation	2,761 6 10	—	
Second Secretary	118 6 10	—	
Frais de Représentation	355 0 7	—	3,431 19 0
Denmark:			
Minister	591 14 4	—	
Frais de Représentation	1,262 6 7	—	
Second Secretary†	—	—	
Frais de Représentation	157 15 10	—	2,011 16 9
France:			
Ambassador	946 14 11	2,011 16	
Frais de Représentation	5,680 9 6	—	
Second Secretary	118 6 10	—	
Frais de Représentation	355 0 7	—	9,112 8 6
Germany:			
Ambassador	591 14 4	986 3 10	
Frais de Représentation	5,680 9 6	—	
First Secretary	157 15 10	—	
Frais de Représentation	355 0 7	—	
Second Secretary	118 6 10	—	7,889 10 11
Great Britain:			
Ambassador	591 14 4	House provided.	
Frais de Représentation	5,680 9 6		
Second Secretary	118 6 10		
Frais de Représentation	355 0 7		6,745 11 3
Greece:			
Minister	591 14 4	—	
Frais de Représentation	1,380 13 4	—	
First Secretary	157 15 10	—	
Frais de Représentation	157 15 10	—	2,287 19 4
Japan:			
Minister	355 0 7	House provided.	
Frais de Représentation	2,564 2 0	—	
Secretary‡	—	—	2,919 2 7

* Member of Italian Chamber, and receives no salary.
† Is also Secretary at Stockholm.
‡ Also Secretary at Peking.

Country.	Salaries, &c.	House Rent.	Totals.
	£ s. d.	£ s. d.	£ s. d.
Monaco:			
Minister	355 0 7	—	
Frais de Représentation	1,380 13 4	—	
First Secretary	157 15 10	—	
Frais de Représentation	197 4 9	—	2,090 14 6
Morocco:			
Conseiller	197 4 9	—	
Frais de Représentation	828 8 0	—	1,025 12 9
Netherlands:			
Minister	591 14 4	—	
Frais de Représentation	1,282 6 7	—	
First Secretary	157 15 10	—	
Frais de Représentation	157 15 10	—	2,169 12 7
Portugal:			
Minister	355 0 7	—	
Frais de Représentation	1,775 2 11	—	
Conseiller	197 4 9	—	
Frais de Représentation	197 4 9	—	2,524 13 0
Roumania:			
Minister	355 0 7	House provided.	
Frais de Représentation	1,656 16 1	—	
Second Secretary	118 6 10	—	
Frais de Représentation	315 11 7	—	2,445 15 1
Russia:			
Ambassador	355 0 7	1,183 8 8	
Frais de Représentation	5,680 9 6	—	
First Secretary	157 15 10	—	
Frais de Représentation	355 0 7	—	7,731 15 2
Servia:			
Minister	355 0 7	331 7 2	
Frais de Représentation	1,108 9 7	—	
Second Secretary	118 6 10	—	1,913 4 2
Spain:			
Ambassador	591 14 4	House provided.	
Frais de Représentation	3,353 1 2	—	
First Secretary	157 15 10	—	
Frais de Représentation	315 11 7	—	
Second Secretary	118 6 10	—	4,536 9 9
Sweden and Norway:			
Minister	355 0 7	—	
Frais de Représentation	1,262 6 7	—	
Second Secretary	118 6 10	—	1,735 14 0
Switzerland:			
Minister	591 14 4	—	
Frais de Représentation	1,262 6 7	—	
First Secretary	157 15 10	—	
Frais de Représentation	157 15 10	—	
Second Secretary	118 6 10	—	2,287 19 5
Turkey:			
Ambassador	591 14 4	1,972 7 9	
Frais de Représentation	3,944 15 6	—	
Conseiller	197 4 9	—	
Frais de Représentation	355 0 7	—	
Second Secretary	118 6 10	—	7,179 9 9
United States:			
Minister	355 0 7		
Frais de Représentation	2,564 2 0		
First Secretary	157 15 10		
Frais de Représentation	355 0 7		3,431 19 0

Attachés are employed but are unpaid. Their number, according to the regulations, must not exceed a fourth of that of the paid staff. Travelling expenses are allowed to all members of the service, including attachés, for journeys undertaken on the public service.

Total cost of above, 89,289*l.* 18*s.* 2*d.*

(14.)

Paper handed in by Sir Philip Currie. See Question 26,963.

Salaries, &c. of Russian Diplomatic Service.

Country.	—	House Rent.	Total.
	£	£	£
Austria Hungary:			
Ambassador	8,000	800	
Conseiller	1,120	—	
First Secretary	640	—	
Two Second Secretaries	960	—	
	10,720	800	11,520
Bavaria:			
Minister Plenipotentiary	3,200	—	
First Secretary	480	—	
Second Secretary	320	—	
	4,000	—	4,000
Belgium:			
Minister Plenipotentiary	3,200	—	
First Secretary	480	—	
Second Secretary	320	—	
	4,000	—	4,000
Brazil:			
Minister Plenipotentiary	2,880	—	
First Secretary (and Consul-General)	640	—	
	3,520	—	3,520
China:			
Minister Plenipotentiary	4,800	House provided.	
First Secretary	640	—	
Second Secretary	480	—	
First Dragoman	800	—	
Second Dragoman	480	—	
Two Student Interpreters	576	—	
	7,776	—	7,776
Denmark:			
Minister Plenipotentiary	3,200	—	
First Secretary	480	—	
Second Secretary	320	—	
	4,000	—	4,000
France:			
Ambassador	8,000	House provided.	
Conseiller	1,120	—	
First Secretary	640	—	
Two Second Secretaries	960	—	
	10,720	—	10,720
Germany:			
Ambassador	8,000	House provided.	
Conseiller	1,120	—	
First Secretary	640	—	
Two Second Secretaries	960	—	
	10,720	—	10,720
Great Britain:			
Ambassador	8,000	1,450	
Conseiller	1,200	—	
First Secretary	720	—	
Two Second Secretaries	1,280	—	
	11,200	1,450	12,650
Greece:			
Minister Plenipotentiary	3,200	—	
First Secretary	480	—	
Second Secretary	320	—	
	4,000	—	4,000
Italy:			
Ambassador	6,400	1,500	
Conseiller	1,120	—	
First Secretary	640	—	
Second Secretary	480	—	
	8,640	1,500	10,140

Country.	—	House Rent.	Total.
	£	£	£
Japan:			
Minister Plenipotentiary	4,800	House provided.	
First Secretary	640	—	
Two Dragomans	720	—	
	6,160	—	6,160
Montenegro:			
Minister Resident	1,600	—	
Secretary	480	—	
	2,080	—	2,080
Netherlands:			
Minister Plenipotentiary	3,200	—	
First Secretary	480	—	
	3,680	—	3,680
Persia:			
Minister Plenipotentiary	4,000	House provided.	
First Secretary	480	—	
Second Secretary	320	—	
First Dragoman	640	—	
Second Dragoman	400	—	
Student Interpreter	240	—	
	6,080	—	6,080
Portugal:			
Minister Plenipotentiary	2,880	—	
First Secretary	480	—	
	3,360	—	3,360
Roumania:			
Minister Plenipotentiary	2,880	120	
First Secretary	480	—	
Second Secretary	320	—	
	3,680	120	3,800
Servia:			
Minister Plenipotentiary	2,880	660	
First Secretary	480	—	
Second Secretary	320	—	
	3,680	660	4,340
Spain:			
Minister Plenipotentiary	4,800	—	
First Secretary	480	—	
Second Secretary	320	—	
	5,600	—	5,600
Sweden:			
Minister Plenipotentiary	3,200	—	
First Secretary	480	—	
Second Secretary	320	—	
	4,000	—	4,000
Switzerland:			
Minister Plenipotentiary	2,880	—	
First Secretary	480	—	
Second Secretary	320	—	
	3,680	—	3,680
Turkey:			
Ambassador	8,000	House provided.	
Conseiller	1,120	—	
First Secretary	640	—	
Two Second Secretaries	960	—	
Two Assistant Secretaries	640	—	
First Dragoman	1,120	—	
Second Dragoman	720	—	
Two Third Dragomen	800	—	
Student Interpreter	210	—	
	14,210	—	14,210
United States:			
Minister Plenipotentiary	4,800	1,600	
First Secretary	640	—	
Second Secretary	480	—	
	5,920	1,600	7,520
Total			147,556

Unpaid attachés are also employed. The Minister for Foreign Affairs may appoint as many of these as he thinks fit.
Ministers receive for travelling expenses from 1,000*l.* to 1,200*l.*, on appointment, Conseillers d'Ambassade 250*l.* on appointment or transfer, Charges d'Affaires "à residence fixe" 500*l.*, Ministers Resident 700*l.* on appointment and 400*l.* on transfer.
In exceptional cases special allowances are made for frais de représentation.
The salaries of military attachés and commercial agents vary between 400*l.* and 800*l.*

Appendix.

(15.)

Paper handed in by Sir Philip Currie. See Question 26,963.

SALARIES, &c., OF PRUSSIAN DIPLOMATIC SERVICE.

ROME (VATICAN):	£
Minister	3,000
,, (house rent allowance)	750
Secretary	450
Chancelier	300
Total	4,500

MUNICH:	£
Minister (and a house)	2,250
Military Attaché (in addition to military pay)	300
Secretary	255
Chancelier	210
Total	3,015

DRESDEN:	£
Minister	1,500
Secretary	255
Total	1,755

HAMBURG:	£
Minister	1,500
Director of Chancery	300
Chancelier	270
Total	2,070

CARLSRUHE:	£
Minister	1,500
Chancelier	195
Total	1,695

STUTTGARDT:	£
Minister	1,500
Secretary	240
Total	1,740

DARMSTARDT:	£
Minister	1,200
Chancelier	195
Total	1,395

OLDENBURG:	£
Minister	1,200

WEIMAR:	£
Minister	900
Total cost of above	£18,270

(16.)

Paper handed in by Sir Philip Currie. See Question 26,963.

SALARIES &c. OF GERMAN DIPLOMATIC SERVICE,

Embassies.

LONDON:	£
Ambassador,	900
,, Frais de Représentation	6,600
Total	7,500
First Secretary	870
Second ,,	375
Director of the Chancery	570
Chancelier	330
Chancery servant	120
Remuneration to Chaplain	52
Total	9,817

CONSTANTINOPLE:	£
Ambassador,	900
,, Frais de Représentation	5,100
Total	6,000
First Secretary	750
Second ,,	375
First Dragoman	750
Second	395
Director of the Chancery	400
Chancelier	300
Chaplain	375
Total	9,345

ST. PETERSBURG:	£
Ambassador	900
,, Frais de Représentation	6,600
Total	7,500
Military Attaché in addition to military pay	900
First Secretary	825
Second ,,	375
,,	300
Director of Chancery	550
Three Chanceliers at 360*l.* each	1,080
Interpreter	375
Chancery servant	100
Legal adviser	150
Total	12,155

ROME:	£
Ambassador to King of Italy	900
,, Frais de Représentation	4,100
Total	5,000
First Secretary	600
Second ,,	360
Director of Chancery	450
Chancelier	315
Chapel (who gets a furnished house)	270
Organist	37
Sexton	30
Chancery servant	90
Total	7,152

VIENNA:	£
Ambassador	900
,, Frais de Représentation	5,100
Total	6,000
First Secretary	825
Second ,,	375
Director of Chancery	450
Chancelier	315
Chancery servant	90
Total	8,055

PARIS:	£
Ambassador, salary	900
,, Frais de Représentation	5,100
Total	6,000
First Secretary	825
Second ,,	375
,, ,,	300
Director of Chancery	500
Three Chanceliers: one à 330*l.*: one à 310*l.*; one à 285*l.*	925
Chancery servant	100
Legal adviser	240
Total	9,265

MADRID:	£
Ambassador	900
,, Frais de Représentation	4,100
Total	5,000
First Secretary	600
Second ,,	360
Director of Chancery	450
Chancelier	315
Chancery servant	100
Total	6,825

Legations.

ATHENS:	£
Minister	900
,, Frais de Représentation	1,200
Total	2,100
Secretary	360
Chancelier and Interpreter	480
Total	2,940

BELGRADE:	£
Minister	900
,, Frais de Représentation	600
Total	1,500
Secretary	300
Dragoman	225
Chancelier	225
Total	2,250

BERNE:	£
Minister	900
,, Frais de Représentation	900
Total	1,800
Secretary	300
Chancelier	270
Total	2,370

BRUSSELS:	£
Minister	900
,, Frais de Représentation	1,200
Total	2,100
Secretary	450
Chancelier	270
Total	2,820

BUCHAREST:	£
Minister	900
,, Frais de Représentation	1,350
Total	2,250
Secretary	450
Dragoman and Chancelier	400
Total	3,100

BUENOS AIRES:	£
Minister	900
,, Frais de Représentation	1,350
Total	2,250
Secretary	500
Chancelier	420
Total	3,170

THE HAGUE:	£
Minister	900
,, Frais de Représentation	1,250
Total	2,150
Secretary	450
Chancelier	270
Total	2,850

COPENHAGEN:	£
Minister	900
,, Frais de Représentation	900
Total	1,800
Secretary	300
Chancelier	240
Total	2,340

LISBON:	£
Minister	900
,, Frais de Représentation	900
Total	1,800
Secretary	360
Chancelier	270
Chaplain	150
Total	2,580

STOCKHOLM:	£
Minister	900
,, Frais de Représentation	1,100
Total	2,000
Secretary	300
Chancelier	270
Total	2,570

Appendix.

*Peking:	£
Minister	900
,, Frais de Représentation	1,200
Total	3,000
Secretary of Legation	600
Interpreter	750
Total	4,350

Rio de Janeiro:	£
Minister	900
,, Frais de Représentation	1,500
Total	2,400
Secretary of Legation	525
Chancelier	420
Total	3,345

Heran:	£
Minister	900
,, Frais de Représentation	2,100
Total	3,000
Secretary of Legation	500
Dragoman	500
Chancelier	375
Total	4,375

*Tokio:	£
Minister, salary	900
,, Frais de Représentation	2,100
Total	3,000
Secretary of Legation	600
Interpreter	600
Total	4,200

Washington:	£
Minister	900
,, Frais de Représentation	2,250
Total	3,150
Secretary of Legation	540
Chancelier	420
Total	4,110

Bangkok:	£
Minister Resident	1,750
Chancelier	350
Total	2,100

Caracas:	£
Minister Resident	1,800
Chancelier	300
Total	2,100

Guatemala:	£
Minister Resident	1,800
Chancelier	375
Total	2,175

* The secretaries, student interpreters, interpreters, porters, and office servants are lodged in the Legation houses.

Lima:	£
Minister Resident	1,800
Chancelier	375
Total	2,175

Mexico:	£
Minister Resident	1,800
Chancelier	375
Total	2,175

Bogota:	£
Minister Resident	1,800
Chancelier	300
Total	2,100

Santiago:	£
Minister Resident	1,800
Chancelier	375
Total	2,175

Tangier:	£
Minister Resident	1,500
Interpreter	300
Chancelier	240
Total	2,040

Embassy Houses.—Ambassadors are provided by the Government with houses.

Legation Houses.—The ministers at Belgrade, The Hague, Brussels, Peking, Tokio, Washington, and Tangier are provided with houses, the other ministers have to find their own houses.

Secretaries of Embassy and Legations.—Secretaries of embassy and legation are either lodged or get an allowance for house-rent.

Outfit Allowances.—When promoted or transferred ambassadors receive 900*l.* and ministers 450*l.* On first appointment ambassadors received 1,200*l.* and ministers 600*l.*, but should an ambassador or a minister be provided with a *furnished* house, he only receives two-thirds of the above-mentioned amounts, and only half if he has got no family.

Travelling Expenses.—Ambassadors, ministers, and secretaries get travelling allowances, or their travelling expenses are paid by the Government.

Chancery Servants.—At embassies they are always paid by the Government, but only in exceptional cases at legations.

	£
The expenses of Embassies and Legations, as detailed above, amount to	127,024
Prussian Diplomatic Service	18,270
Total	145,294

(17.)

Paper handed in by Sir Philip Currie. See Question 26,983.

INSTRUCTIONS TO HER MAJESTY'S DIPLOMATIC REPRESENTATIVES AND CONSULS IN REGARD TO TRADE.

The sign manual instructions of Her Majesty's ministers contain the following passage:

"You will make the commercial interests of Great Britain an object of your constant attention."

Circular instructions issued at various dates, from 1857 to the present time, have directed attention to particular subjects as affecting British commercial interests, and have called for reports on these matters. In addition to reports on special questions, two regular and set reports are required to be sent home every year, from each of Her Majesty's missions in foreign countries; one, commercial, on the industry, trade, and general statistics of the country; the other on its budget and finances generally. As regards industrial undertakings, Her Majesty's diplomatic representatives, and consuls likewise, are instructed that Her Majesty's Government do not seek to promote particular enterprises, but limit recommendations given to British subjects of good standing and respectability to the purpose of obtaining for them access to the authorities before whom they seek to lay their proposals. An exception has been made in the case of China and Japan, where there have been complaints of active intervention on the part of some foreign representatives in support of their merchants. Her Majesty's representatives in these countries have in consequence been authorised to give their support to British merchants in cases where they consider that the interference of foreign representatives is exercised to their detriment.

The instructions to consuls are to the following effect:—

Their general instructions contain the following paragraph:

"It is the duty of consular officers to protect and to promote the lawful trade of Great Britain by every fair and proper means, and to uphold the rights and privileges of British merchants. Whenever changes are made which affect trade, either as regards general regulations or by increasing or diminishing duties or charges, such changes are immediately to be communicated by consular officers to the Secretary of State, and to be made known to resident British merchants."

Consuls are required, in addition to sending despatches at the time on any matters which concern British trade, to forward every year a commercial report on the trade of their district during the preceding year. At ports navigation is also included.

In a circular instruction, dated January 25th, 1879, they were instructed to advert in their annual commercial report to the following points:—

(*a.*) Any local impediments to British trade;
(*b.*) Any opportunities which may present themselves for its extension;
(*c.*) Its progress and relative importance in the Consular district as compared with the trade of any other countries.

In 1882 consuls were told that their reports would in many cases become "more useful by enumerating the "various articles of British or Colonial produce or manufacture for which a favourable market appears to present "itself in your consular district, as well as those for "which there is either no demand or which can be more "readily supplied from other countries. Opportunities "for return freights, the export trade to the United "Kingdom, industrial institutions, new inventions or "appliances which may affect trade and commerce, "harbour improvements and dues, landing and embarking "facilities, average rates of freight, and public announcements for tenders for the execution of public works, are "also matters which might with advantage be noticed as "opportunities arise."

In 1885 they were further instructed:—

"Other subjects which may be included in your trade report, namely, agriculture, cattle, population, industries, public health, and public works, should be treated chiefly from the point of view of commercial interests. British trade, and the means which may be suggested for its development, should form the principal object of these reports. The market prices of commodities, rates of freight, insurance, &c., should, as a rule, only be mentioned in general terms, unless you have any particular reason for a fuller statement. Fuller details respecting any of these matters may form the subject of despatches in your commercial series whenever it is advisable to report on them."

Improvements in the form of statistical tables and the manner of setting forth quantities and values of goods have likewise been given from time to time. Agricultural reports, as well as those which are strictly designated commercial, are also now required to be furnished from Her Majesty's missions and consulates.

The general question of the assistance to be rendered to British trade by Her Majesty's diplomatic representatives and consular officers was very fully considered in 1886, and correspondence on the subject is contained in the Parliamentary Paper, Commercial, No. 16, 1886, two parts.

Circular instructions which enter fully into the circumstances of the case were issued by the Earl of Rosebery on the 31st of July 1886. These instructions recorded an expression of opinion that members of both services displayed the greatest readiness in affording their hearty co-operation to British traders; and added "all that is "therefore needed is a continued activity, not only in "pursuing the methods hitherto adopted, but in discovering any others that can legitimately be employed."

As regards the relative duties in respect to commercial matters of the diplomatic and consular services, the consular instructions establish a general rule that the latter is subordinate to the former; and that the diplomatic representative of Her Majesty is, subject to the authority of the Secretary of State, invested with full control over Her Majesty's consular officers within the country in which he resides. The consul receives his instructions on all important matters direct from the Secretary of State. On questions of ordinary current business, he is guided by instructions from the diplomatic representative.

Correspondence on subjects of interest, commercial reports, and papers relative to the action of local authorities, as a rule, pass through the embassy or legation; and when it is expedient, in order to avoid loss of time, that direct communication should pass between the Foreign Office and consulates, copies of the correspondence are supplied to Her Majesty's representative.

(18.)

Paper handed in by Sir Philip Currie, see Question 27,066.

EXPLANATION OF INCREASE OF SUB-HEAD A OF DIPLOMATIC SERVICE VOTE.

	£
SUB-HEAD A.—Salaries and rent for the year 1871–2 was - - - - - -	151,000
SUB-HEAD A.—Salaries and rent for the year 1889–90 was - - - - -	178,738
Showing an increase on this sub-head of	27,738

This increase is chiefly explained by the fact that the sum of 151,000*l.* provided in the Estimate for the year 1871–2 *excluded* the salaries of the second and third secretaries, &c., which formed a separate sub-head, whereas the sum of 178,738*l.* voted for the year 1889–90 *included* such salaries. Adding, therefore, for purposes of comparison, the sum of 23,276*l.* to 151,000*l.*, the

Appendix

increase is reduced to 4,462*l.* as shown in the following statement:—

Additions to the Vote.

	£
Salaries, &c. consequent on re-establishment of Her Majesty's mission in Mexico	4,500
Salaries, &c. of the commercial attachés at Paris and St. Petersburg	2,500
Salaries, &c. of Her Majesty's diplomatic representatives in Egypt, Bulgaria, Montenegro, Morocco, Roumania, Servia, Siam, and Uruguay	17,310*
Increase in the salaries of Her Majesty's representatives in Italy and Spain on the rank being raised to that of ambassador	2,500
Increase in salary of Her Majesty's ambassador in Germany	500
Increase in salary of Her Majesty's representative at Darmstadt	550
Growth of the salaries of second and third secretaries consequent on the recommendations of the Diplomatic Committee of 1871	6,228
Sundry increases of the salaries of the secretaries, clerks, &c. employed in Her Majesty's legations	1,881
Total additions to the Vote	35,969

* Of this sum 9,300*l.* was transferred from the Consular Vote.

Reductions in the Vote

	£	£
Sundry rent allowances transferred to Office of Works	7,220	
Salaries of Her Majesty's legation in China transferred to a separate sub-head of the Vote	8,100	
Withdrawal of Her Majesty's legation in Venezuela	2,150	
Transfer of naval and military attachés to Army, &c. Votes	1,500	
Withdrawal of secretary employed at Rome	1,000	
Reduction of salary of Her Majesty's ambassador at Paris	1,000	
Reduction of the salaries of Her Majesty's representatives in Bavaria	2,800	
Reduction of the salaries of Her Majesty's representatives in Wurtemburg	1,600	
Reduction of the salaries of Her Majesty's representatives in Belgium, Brazil, Denmark, and Portugal	1,300	
Sundry reductions	3,457	
		30,127
		5,842
Deduct in respect of vacancies, &c. (*see* end of Estimate)		1,380
Leaving a net increase on the Vote for 1889–90 as compared with the Vote for 1871–72 of		4,462

(19.)

Paper handed in by Sir Philip Currie. See Question 27,079.

CHAPLAINS.

Vienna.

In 1842 Sir R. Gordon, Her Majesty's Ambassador, strongly urged the re-appointment of a chaplain to the Embassy at Vienna, on the ground that the number of British subjects residing there had greatly increased.

A question arose in 1874–5 with regard to the erection of an English church at Vienna, the Austrian ecclesiastical law requiring that priests or pastors in churches recognized by the State should be Austrian subjects. The difficulty was eventually overcome by the Emperor sanctioning the erection of the church on condition that it was placed under the control and jurisdiction of the British Ambassador, the officiating clergymen being allowed to be either the chaplain of Her Majesty's Embassy, or a private chaplain of the Ambassador, or any clergyman of the Church of England who might be provided by the British residents with the approval or consent of the Ambassador acting under instructions of Her Majesty's Principal Secretary of State. The funds for building the church were raised by public subscription; Her Majesty's Government did not contribute anything towards its erection, or accept any pecuniary responsibility, direct or contingent, in connexion with its maintenance, and the property was not vested in them, but in the Bishop of London and his successors.

Constantinople.

The post of chaplain to the Embassy at Constantinople has existed as a Government appointment since 1825, the chaplain having previously been paid by the Levant Company.

In addition to the services in the Embassy chapel, and his general duties in connexion with the large British community at Constantinople, the chaplain is expected to visit the sick in the British hospital, and if required to attend as a parochial minister to any school which is set on foot, with the sanction of Her Majesty's Ambassador, for the education of the children of British artizans residing in Pera, or in the neighbourhood. The chapel is open for the use of the large number of British seamen who resort to Constantinople.

Madrid.

The chaplaincy at Madrid was established in 1859, the British residents undertaking to contribute a certain sum towards its support.

The chaplain was appointed under the Consular Act (6 Geo. IV. c. 87), but he was also considered to be chaplain to the British Minister, as the services could only be performed in the Legation, the Spanish laws on the subject of religious observances, other than those of the Church of Rome, being at that time very stringent.

In 1861, the subscriptions having fallen off, a fixed salary was granted to the chaplain.

Athens.

In 1873 Her Majesty's Minister at Athens represented that the appointment of chaplain there had been vacant for two years, that the English church had consequently been closed, and that the British community were therefore indisposed to contribute to its maintenance; and that unless funds were supplied and a clergyman provided, the church would soon fall into decay. The church was built in 1842 at a cost of about 3,000*l.*, 800*l.* of which was contributed by Her Majesty's Government, and the rest raised by private subscription.

Under the circumstances 100*l.* per annum was granted towards the stipend of a chaplain.

Copenhagen.

The chaplain at Copenhagen draws from Her Majesty's Government a consolidated salary of 200*l.* a year, of which 85*l.* is fixed, and the balance of 115*l.* is contingent upon a similar amount being contributed by the British residents.

A few years ago a church was built by subscriptions from the residents and others.

Copenhagen is frequented by large numbers of British sailors.

Pekin.

In 1864 Sir F. Bruce, Her Majesty's Minister in China, reported that a room set apart in the Legation at Peking for Divine service no longer afforded adequate accommodation, and that he had fitted up a detached building in the garden. The expense of converting this building into a chapel, 78*l.* 1*s.* 10*d.*, was sanctioned, and on the recommendation of Sir F. Bruce a chaplain to the Legation was appointed with a salary of 200*l.* a year, which sum was considered sufficient provided the selection was made from among the missionaries, otherwise a higher salary and lodgings would have to be provided.

(20.)

Paper handed in by Sir Philip Currie. See Question 27,114.

SALARY of PHYSICIAN at CONSTANTINOPLE

Dr. Dickson, in addition to his salary of 300*l.* a year as Physician to the Embassy, receives 400*l.* a year as British Delegate to the Board of Health.

He was appointed to the latter position in 1861. Lord Lyons, then Chargé d'Affaires at Constantinople, recommended that he should receive additional remuneration, as his new duties interfered with other professional services, and as it was desirable that he should be placed in a position not less favourable than the French Delegate, who received 400*l.* a year as Delegate.

Further information having been called for, Sir H. Elliot, Her Majesty's Ambassador, reported that the Board was a permanent institution, rendered necessary by the divergent views of different European Governments with regard to the enforcement of quarantine, and that British interests would seriously suffer from the absence of a British Delegate from the Board.

The Treasury, to whom the matter was referred, after full consideration of the nature of Dr. Dickson's duties, approved of the grant to him of an annual allowance as Delegate of 400*l.*

(21.)

Paper handed in by Sir P. Currie. See Question No. 29,017.

Information as to the System of Pensions of the Diplomatic Service in Foreign Countries.

Germany.

Pensions to German diplomatic officers are granted in accordance with the regulations generally applicable to all officers in the service of the Government.

Imperial officials are entitled to a pension for life.

If, after 10 years' service, they become permanently disabled by bodily or mental disease or weakness.

If, before the completion of 10 years' service, they have, while actively employed, or owing to such employment, contracted through no fault of their own, disease or bodily injury, and have thereby become disabled.

After 10 years' service, the pension amounts to fifteen-sixtieths of the salary; with a further addition of one-sixtieth in respect of each additional year's service up to a maximum of forty-five-sixtieths of the salary.

If a pension is granted before the completion of 10 years' service, it is limited to fifteen-sixtieths of the salary.

Years of service are counted double in case of employment in East, South, or West Africa, East and Central Asia, Central and South America, and in the Pacific.

If an official is temporarily retired for reasons connected with the public service, he receives three-fourths of his salary.

If an official dies while in the service, his heirs receive the salary due for the quarter following the month in which the death occurred.

If a pensioned official dies, his widow or lawful issue receive the pension due for the month following that in which the death occurred.

France.

Pensions to members of the French diplomatic service are granted according to a special scale, and are considerably in excess of those granted to the general Civil Service under the provisions of the law of the 9th June 1853.

A deduction of 5 per cent. is made from all salaries for the Pension Fund.

Diplomatic officers are only entitled to pensions when they have reached the age of 60 years, and after 30 years' service.

Service out of Europe is reckoned at half as much again in the calculation of pensions, and after 15 years' service a pension can be granted at the age of 55. Special pensions are granted when officials are unable to perform their duties owing to having risked their lives, or met with some accident in the public service. In the case also of ill-health, pensions can be granted at the age of 55, and after 20 years' service.

A pension is also granted to the widow of an official who has obtained, or is entitled to, a pension; its amount being limited to one-third of the pension which her husband had obtained, or was entitled to.

The same pension is also allowed to orphans of officials, as long as they are minors, should the mother be dead or disqualified for a pension.

It must be noted, however, that in addition to the pension list each minister has a certain allowance for what is classed as "secours," which is really given in pensions and allowances. In the case of the Foreign Office the vote asked for this year, on this head, is fcs. 190,000 (7,600*l.*).

Italy.

Pensions to Italian diplomatic officers are granted in accordance with the regulations generally applicable to all civil officers in the service of the Government.

They have a right to retire with a pension:

a. After 40 years' service, or at the age of 65, after 25 years' service.

b. If after 25 years' service they have become unable to continue serving through infirmity.

If, however, infirmities have been contracted in consequence of the discharge of their duties, they may retire, whatever their age or length of service.

An average is taken of the different salaries received by the officer during his term of service, without counting extra allowance for office work, frais de représentation, or residence; a deduction is then made from this average, which in some cases amounts to one-fifth, and in others to one-third, and the pension is calculated on this latter sum.

If the average is not higher than fcs. 2,000, the pension amounts to one-fortieth for each year of service, and if higher to one-fortieth of the first 2,000 fcs., and one sixtieth of the remaining sum. But an official having 40 years' service enjoys four-fifths of the average as calculated above.

In certain cases a lump sum is paid in addition, amounting to one-twelfth of the last salary received, for each year of service, if that salary only amounted to 2,000 fcs., and one-eighteenth of the remaining sum if the salary was higher.

The widow of an official is granted one-third of the pension which her husband received, or would have received if he had lived; but if he died in consequence of the discharge of his duties, his widow has a right to one-half of his pension.

Sons under age and unmarried daughters, if their mother is dead, inherit her rights.

Russia.

The general regulations with regard to Civil Service pensions in Russia are not applied to the diplomatic service abroad.

Pensions to diplomatic officers are granted by the Emperor, special application being submitted to H.I.M. whose decision is taken in each case.

REPORT

FROM THE

SELECT COMMITTEE

ON THE

SUPERANNUATION ACTS AMENDMENT (No. 2) BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
14 *June* 1892.

LONDON:
PRINTED FOR HER MAJESTY'S STATIONERY OFFICE,
BY EYRE AND SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.

And to be purchased, either directly or through any Bookseller, from
EYRE AND SPOTTISWOODE, East Harding Street, Fleet Street, E.C.,
and 32, Abingdon Street, Westminster, S.W.; or
JOHN MENZIES & Co., 12, Hanover Street, Edinburgh, and
90, West Nile Street, Glasgow; or
HODGES, FIGGIS, & Co., 104, Grafton Street, Dublin.

271.

Superannuation Acts Amendment (No. 2) Bill.

Ordered,—[*Thursday*, 19*th May* 1892]:—That the Order for the Committee on the Superannuation Acts Amendment (No. 2) Bill be read, and discharged, and that the Bill be committed to a Select Committee.

Ordered,—[*Thursday*, 26*th May* 1892]:—That Mr. Anstruther be a Member of the Select Committee on Superannuation.

Committee nominated—of,—

Mr. Bristowe.	Mr. Hunter.
Mr. Craig.	Mr. King.
Mr. John Ellis.	Mr. Jackson.
Sir John Gorst.	Mr. MacNeill.
Mr. Henry H. Fowler.	Sir Matthew White Ridley.

That the Committee have power to send for Persons, Papers, and Records.

That Five be the Quorum of the Committee.

Ordered,—[*Friday*, 27*th May* 1892]:—That Mr. Anstruther be discharged from further attendance, and that Mr. Biddulph, Sir Richard Temple, and Mr. Storey be added to the Committee.

REPORT - - - - - - - - - - - - - - p. iii

PROCEEDINGS OF THE COMMITTEE - - - - - - - - p. iv

MINUTES OF EVIDENCE - - - - - - - - - - p. 1

REPORT.

THE SELECT COMMITTEE on the SUPERANNUATION ACTS AMENDMENT (No. 2) BILL, have considered the said Bill, and taken Evidence thereon, which they have agreed to Report to the House; and have gone through the Bill, and made Amendments thereunto.

13*th June* 1892.

PROCEEDINGS OF THE COMMITTEE.

Thursday, 2nd June 1892.

MEMBERS PRESENT:

Mr. King.	Mr. Craig.
Mr. Storey.	Mr, Jackson.
Sir Richard Temple.	Mr. Hunter.

Motion made, and Question proposed, That Sir MATTHEW WHITE RIDLEY be the Chairman of the Committee,—put, and *agreed to.*

In the absence of Sir MATTHEW WHITE RIDLEY, Mr. STOREY took the Chair.

[Adjourned till Tuesday, 14th June.

Tuesday, 14th June 1892.

MEMBERS PRESENT:

Sir John Gorst.	Mr. Jackson.
Mr. Biddulph.	Mr. John Ellis.
Mr. Craig.	Mr. King.
Sir Richard Temple.	Mr. Hunter.
Mr. Storey.	

In the absence of Sir MATTHEW WHITE RIDLEY, Sir JOHN GORST took the Chair.

Mr. *Frank Mowatt* and Mr. *Henry Waterfield* were examined.

The Committee proceeded with the consideration of the Bill.

Clause 1.—Amendment proposed, in page 1, line 5, to leave out the words "after the passing of the Act," in order to insert the words "the first day of January 1893"—(Mr. *Storey*).—Question proposed, "That the words proposed to be left out stand part of the Clause."—Amendment, by leave, withdrawn.

Another Amendment proposed, in page 1, line 7, after the word "persons" to insert the words "belonging to classes set out in the Schedule to this Act"—(Mr. *Storey*).—Question put, "That those words be there inserted."—The Committee divided:

Ayes, 4.	Noes, 4.
Mr. Craig.	Mr. Biddulph.
Mr. John Ellis.	Mr. Jackson.
Mr. Hunter.	Mr. King.
Mr. Storey.	Sir Richard Temple.

Whereupon the *Chairman* declared himself with the Noes.

An Amendment made.

Another Amendment proposed, in page 1, line 14, after the word "gratuity" to insert the words "to be calculated on the average salary of the last five years of service"—(Mr. *Storey*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 4.	Noes, 4.
Mr. Craig.	Mr. Biddulph.
Mr. John Ellis.	Mr. Jackson.
Mr. Hunter.	Mr. King.
Mr. Storey.	Sir Richard Temple.

Whereupon the *Chairman* declared himself with the Noes.

Clause, as amended, *agreed to.*

Clause 2.

Clause 2.—Amendment proposed, in page 2, line 9, to leave out Sub-section 2—(Sir *John Gorst*).—Question, That the words proposed to be left out stand part of the Clause,—put, and *negatived.*

Clause, as amended, *agreed to.*

Clause 3.—Amendment proposed, in page 2, line 12, to leave out the words "that of a commissioned, warrant, or other officer," in order to insert the words "any office or employment" —(Sir *John Gorst.*—Question, That the words proposed to be left out stand part of the Clause, —put, and *negatived.*

Question, That the words "any office or employment" be there inserted,—put, and *agreed to.*

Another Amendment proposed, in page 2, line 21, to leave out the word "either"—(Mr. *Storey*).—Question, That the word "either" stand part of the Clause"—put, and *negatived.*

Another Amendment made.

Clause, as amended, *agreed to.*

Clauses 4—5, *agreed to.*

New Clause.—(Rules to be laid before Parliament) — (Sir *John Gorst*) — brought up, read the first and second time, and added to the Bill.

Ordered, To Report the Bill, as amended, to the House, together with the Minutes of Evidence.

LIST OF WITNESSES.

Tuesday, 14*th June* 1892.

PAGE

Mr. Francis Mowatt, C.B - - - - - - - - - - - - - - 1

Mr. Henry Waterfield, C.B. - - - - - - - - - - - - 10

MINUTES OF EVIDENCE

Tuesday, 14th June 1892.

MEMBERS PRESENT:

Mr. Biddulph.	Mr. King.
Mr. Craig.	Mr. Jackson.
Mr. John Ellis.	Sir Richard Temple.
Sir John Gorst.	Mr. Storey.
Mr. Hunter.	

THE RIGHT HONOURABLE SIR JOHN GORST, IN THE CHAIR.

Mr. FRANCIS MOWATT, C.B., called in; and Examined.

Chairman.

1. WOULD you tell the Committee what your official position is?—I am the head of the Division of the Treasury in which the pensions are awarded.

2. I believe the 12th section of the Superannuation Act of 1859 declares it to be for the public advantage that officers holding posts pensionable under that Act should be eligible for other public employments which are not pensionable, without losing their claim to retired allowances?—Yes.

3. And it provides that the transferred officer on his retirement shall be qualified for a pension on his entire service?—Yes.

4. Has that provision of the Superannuation Act been extended by subsequent Acts to other pensionable service?—Yes, I believe every Act of Parliament which has dealt with the pension rights of any particular branch of the service has always extended the provisions of that section, which you have quoted, to the service dealt with.

5. Among other offices, is it extended to the Governorship of a colony?—Yes.

6. By the 28th and 29th Victoria, chapter 113?—Yes.

7. Is it also extended to the permanent Civil Service of a colony?—Yes.

8. Is that by the 50 and 51 Victoria, chapter 13?—Yes.

9. Is it also extended to the Diplomatic Service?—Yes.

10. By the 32nd and 33rd Victoria, chapter 43?—Yes.

11. And also to the permanent Civil Service of the Isle of Man?—Yes.

Chairman—continued.

12. By the 39th and 40th Victoria, chapter 43?—Yes.

13. And also to the Home Department of the Secretary of State for India?—Yes.

14. That means Indian officers in England?—Yes.

15. By the 23rd and 24th Victoria, chapter 89?—Yes.

16. Is it also extended to the police of England by the 53rd and 54th Victoria, chapter 45?—Yes.

17. Notwithstanding those extensions, do there still remain pensionable branches of service in which transfer from one to the other or between any one of them and a service pensionable under the Act of 1859 forfeits the claim of the officer transferred to pension in virtue of his former office?—Yes.

18. Will you enumerate those services?—There are the Royal Irish Constabulary and the Dublin Metropolitan Police; the Prisons Service as regards persons appointed before the year 1878.

19. 1878 was the year when the prisons were transferred to the Secretary of State?—Yes. County court judges in England and Ireland, sheriffs and sheriff substitutes in Scotland, and the Pensionable Civil Service in India.

20. The Pensionable Civil Service in India includes both what is called the covenanted and the uncovenanted, does it not?—Yes.

21. All the offices in India in which service is entitled to pension?—Yes.

22. Now, does the Superannuation Act of 1859 define the persons who are qualified for pension

Chairman—continued.

pension under its provisions?—Yes, by the 17th section.

23. Will you state what the definition given in that Act is?—They must first hold appointments directly from the Crown, or have been admitted into the service with Civil Service certificates; and, secondly, be paid by salaries or remuneration provided out of the Consolidated Fund, or out of money voted by Parliament.

24. Do any of the branches of service which you have enumerated require the possession of a Civil Service certificate as a condition of appointment?—No.

25. Were prison officers appointed before 1878 paid from local, as distinguished from Imperial funds?—Yes.

26. In consequence of those facts, does the definition of the Superannuation Act exclude the officers of those services from the benefits of its provisions?—Yes, so far as regards their service before they were transferred.

27. The Statutes which regulate the rights of the officers to pensions in those enumerated services, make the pension conditional on a certain length of service, or on the officer being compelled to retire from mental or bodily infirmity?—Yes.

28. Does it follow from that, that the officer who is transferred before he has served the necessary time, or when he is still in full health and vigour, loses his claim to pension?—Yes.

29. When was this difficulty of giving pensions first found out?—In 1883.

30. Was it then thought to be covered by the discretionary power of the Treasury?—That was the view of the Treasury.

31. Under what section did they think they had a discretionary power?—Under the 2nd section of the Act of 1859; that section fixes the rate of the superannuation allowance, and there is a proviso attached: "Provided always, that if any question should arise in any department of the public service as to the claim of any person or class of persons for superannuation under this clause, it shall be referred to the Commissioners of the Treasury, whose decision shall be final."

32. Did it appear to the officers of the Treasury upon mature consideration that this discretion could be exercised only within the provisions of this Act?—Yes.

33. So that it could not be exercised in such a way as to give any pension at all to a person not qualified within the provisions of the Act?—Yes, we felt a doubt about it.

34. Therefore you could not award pensions to the persons whose service you have enumerated?—No.

Mr. *John Ellis.*

35. What was the date when the new interpretation was arrived at?—It was in 1887, I think. At that time a Superannuation Bill was introduced, and the Treasury undertook, as a condition of obtaining that Bill, to exercise all discretion within the narrowest possible limits; to be guided as far as they could by the actual words of the Act of Parliament concerned.

Chairman.

36. Are the transfers to which this Act would apply common?—They are rare.

37. Why then does this question at the present time assume a practical importance which you did not attach to it formerly?—The Order in Council of 1890 made compulsory the retirement of all Civil Servants at the age of 65, and that was followed either by the retirement, or by the immediate prospect of retirement of a large number of officers, who drew attention to their position; therefore we became aware that there were men who would be affected by that which we considered an oversight in the drafting of these Superannuation Bills, few of whom have come up as yet, but several of whom will come up in the next few years.

38. What is the object then of the present Bill?—That those officers may obtain the benefit of their full service on retirement.

39. Have you the means of ascertaining every case in which an officer now serving has been transferred to or from one of the services you have enumerated?—No, we could not give an exhaustive list of them.

40. But you could, I presume, give a list of every transfer which you have been able to discover, without pretending that your list is exhaustive?—Yes, except as regards subordinate posts; for instance, a postman or a prison warder, it would not be known in his department that he had been transferred, until on coming to retire he sends in his own particulars of service, and he would then draw the attention of the head of his department to the fact that he had been transferred from another branch to that.

Mr. *Craig.*

41. How does the case of a postman arise under those circumstances?—The postman might have been either a constable in the Dublin Metropolitan Police, or he might have been a prison warder, and then have become a postman; the Post Office would not know until he came up for pension of his transfer.

Mr. *John Ellis.*

42. Is it not necessary to make clear to the Committee that the transfer should be direct?—Yes.

43. And that there should be no break?—Yes, there must be no break. I wrote to all the departments which I thought might be affected by it and I have got their answers. From the Royal Irish Constabulary and the Dublin Metropolitan Police 24 gentlemen are now serving as resident magistrates; they are all affected, but some of them very slightly, because a resident magistrate is entitled to an addition of years in the calculation of his pension on the ground of its being a professional office; that is an addition which is given by Section 4 of the Superannuation Act of 1859. In the case of resident magistrates the addition is 10 years; therefore 10 years has to be deducted from the previous constabulary service in order to show the actual loss of service. I will take a particular case. A gentleman of the name of Cronin served for 11 years in the Royal Irish Constabulary; he was appointed a resident magistrate and

Mr. *John Ellis*—continued.

and has had an addition of 10 years, consequently his total loss of service was only one year.

Chairman.

44. He would only be affected by the present Bill to the extent of that year; he would get one year's more service than under the existing laws?—Yes. The next case illustrates the extreme hardship of the rule. Mr. R. G. Bull served for 24 years in the Royal Irish Constabulary. He was appointed in 1892 to be a resident magistrate, and since 1890 the grant of additional years has been suspended; that is to say, the operation of that section to which I have referred the Committee. Consequently he loses the whole of his 24 years' service, and is at the present time not entitled to a pension at all; and if within the next 10 years he were to break down from ill-health, he would have lost his claim to pension for his entire service.

Sir *Richard Temple.*

45. Did he know that when he took the post?—No.

Chairman.

46. Will you now go on with your enumeration?—Perhaps I need hardly follow the particulars of these 24 cases.

47. Are the whole of the 24 affected in some degree?—Yes, in some degree.

48. Those are all Royal Irish Constabulary or Dublin Metropolitan Police constables who have been affected?—Yes.

Mr. *John Ellis.*

49. Does that list extend over a considerable period between the first appointment and the last?—Yes, the first appointment is 1866 and the last appointment in this year. Perhaps I may explain to the Committee that it is only during those years, the last 20 years I think, that appointments have been made from the Royal Irish Constabulary or the Dublin Metropolitan Police to resident magistrates, and that is why a larger number now show than we were aware of at the Treasury. Previously to that time they had been appointed always from outside I think.

Chairman.

50. At what salary?—£. 450 to begin with, I think, and a maximum of 800 *l.*

51. Now take the next class?—In the next class, also from the Royal Irish Constabulary and the Dublin Metropolitan Police, 21 men have been transferred to the Colonial police forces; that is to say they have been constables chiefly in consular establishments and embassies in the Colonies.

52. That is to say Colonial police forces paid out of Imperial funds?—Yes, and three have been transferred to be messengers in the Civil Service. The next class is from the local prisons appointed before 1878; there were convict prisons and local prisons. Before 1878 the convict prisons were State prisons; the local prisons were prisons managed by the counties and paid by them. Under the Prisons Act of that year they were all transferred to the State. From that local prison staff appointed before 1878,

Chairman —continued.

there have been appointed to the Prisons Department of the Home Office six men; to the Convict Prison staff six men; to the Colonial prisons three. Between the permanent Civil Service and Pensionable Service of India, I can trace nine.

Mr. *Storey.*

53. You have missed the county court judges?—There is not an actual case of a county court judge, but there is a possibility that there might be a transfer from one service to the other.

Chairman.

54. But you know of none?—No, but there is one case of a sheriffs substitute transferred to the permanent Civil Service.

55. There are some one way and some the other; some from and some to?—Yes.

56. Could you give the Committee the numbers?—No, but they would be about an equal number each way.

57. Are you able to say that the list you have given the Committee exhausts all the cases except those of subordinate officers of the Prisons Service and Revenue Departments, whose transfers would not transpire until they were leaving the service?—I would rather add a possibility which I have just discovered. Among the officers retired under the Order in Council of last year is Captain Graham, late secretary to the Scottish Fishery Board; I find that he had some previous service paid out of the Mercantile Marine Fund; the Mercantile Marine Fund would fall within the definition which is given in Clause 3 of the Bill, that public offices within the meaning of this Act are offices paid out of "any fund, which either from its being administered by a public department or from its receiving a contribution from any of the above services," that is to say, the Consolidated Fund or the votes of Parliament, "the Treasury may determine to be a public fund." I believe the Treasury contemplates determining that the Mercantile Marine Fund is a public fund for the purpose of this Act.

58. Can you form any estimate of the number of persons in the subordinate branches of the Prisons and Revenue Service who might be added to your list; what is your idea?—I am afraid it must be rather more of a guess than an estimate; but looking back for many years through our returns, I should think that possibly there might be in all the services taken together, fifty subordinates.

59. To be added to the previous list?—Yes.

60. Adding the fifty, have you now given the Committee as exhaustive a list as you can of the persons who would be affected by the passing of this Bill?—I think so.

61. Have you formed any estimate or any guess as to the charge upon the public revenues which the operation of this Bill might, at its greatest, impose?—I said when I first looked into it that it might amount to 2,000 *l.* a year, but I think I have over-estimated it; I doubt if it will rise to more than about 1,200 *l.* or 1,500 *l.* a year.

62. Take

Mr. *Storey.*

62. Take the case of Mr. Bull as an illustration; under the Bill, as it is drawn, would he be able to retire, and when and at what pension?—He will be enabled to retire when he attains the age of 60: he must retire at the age of 65, or he could retire if he were broken down in health at any time on a medical certificate, that he was unable to perform the duties of his office.

63. Would he get full pension on his last salary under the Bill?—Not the full amount possible for long service; he has served 24 years altogether; he would not be entitled to any addition; he would therefore retire with 24-sixtieths of his salary.

Mr. *Jackson.*

64. He would go in at the bottom, if he were the last appointment?—Then he would get 24-sixtieths of 400 *l.*; that would be 180 *l.* a year.

65. Whereas he would have got considerably more under the old system?—Yes.

66. What is his salary under the constabulary?—I cannot tell you.

Mr. *John Ellis.*] Four hundred and twenty-five pounds a year when appointed, and he has 425 *l.* now.

Mr. *Jackson.*

67. Is the pension of the Civil Service the same as of the constabulary?—No, it is lower. As a constabulary officer if he had served 24 years and retired, he would have been entitled to 24-fiftieths; as a civil servant he will now retire on 24-sixtieths.

Mr. *Storey.*

68. And the whole of the 24 resident magistrates, who came from the constabulary; as the law now stands, can they get any pension?—Yes, the pension of their service as resident magistrates, but not that for their constabulary service.

Mr. *Jackson.*

69. Mr. Cronin will gain the advantage of one year under the Bill?—He would gain an advantage; but again if he had remained in the constabulary his entire service, he would have had a much higher rate of pension.

Mr. *Storey.*

70. I will only ask you this one other question: these being the gentlemen who are now concerned, have you formed any estimate of what would be the probable future charges, because the Bill will be not only operative now, but as to future appointments; would there be a large number of persons who might be affected?—Who might be hereafter transferred? I should say not more than at present, certainly. I have founded that opinion upon this: that we have never known until quite recently that there was a hitch, therefore, you might take it that there was no stoppage in transfer for fear of this loss, that all who would have been transferred were transferred.

Chairman.

71. The Bill as it is drawn makes the pension calculable upon the salary at the time an officer leaves the service; is that the universal practice throughout the Civil Service?—The universal practice; I believe in every pension Act that is so.

Chairman—continued.

Mr. *Storey.*

72. But is not that in opposition to the recommendation of the Commission?—Yes, but the recommendation of the Commission was not intended, I understood it, to affect existing rights.

73. But these are not existing?—If you amend that rule for the service generally by subsequent legislation it will affect this Bill as well as all previous legislation.

74. The point I am putting is this: The Commissioners having recommended an improved method of calculating pensions, you are nevertheless asking us in this Bill to continue and extend the old system which they condemn?—Not to extend it, I think.

75. To extend it to these gentlemen?—These gentlemen are existing officers.

76. But they are not entitled to the pension which you are now proposing to give them?—No.

77. Then you are going to ask us now to adopt the existing method which the Commission condemn?—Yes.

Sir *Richard Temple.*

78. With reference to these pensionable Civil servants in India, how does this Bill apply to them; my reason for asking is this: that all these gentlemen must already have pensions from the Indian Revenue; how do they come upon the English Revenue for pensions?—Might I give you a concrete case, perhaps, as explaining it. Mr. Rule served for eleven years under the Accountant General of the Navy, and was in 1865 appointed to the Financial Department in India, and he retired in 1871 after a total service of 36 years, and was awarded a pension; the Treasury said they were unable to contribute towards it in respect of those years he had served in the Civil Service for want of the legal power. Under this Bill we should contribute towards that gentleman's pension the proportion applicable to the years he had served in the permanent Civil Service of this country, before the joined the Indian service; it would be in relief of the Indian Exchequer in his case.

79. Can you give the Committee another concrete example of a transfer from India to England?—Sir Gerald FitzGerald, after serving in the War Office in this country for eight years, was transferred to the Financial Department of India in 1863; he was then retransferred to the British service as Accountant General of the Navy in 1885, and it has never yet been settled how his pension is to be divided. The effect of this Bill will be, if it becomes law, that India will contribute part of his pension in respect of his service in India, and the Exchequer here will contribute part of his pension in respect of his service here. The existing rules which have been adopted until, as I say, we discovered that our practice was not as we thought legal, were these: "Officers pensioned by the Admiralty with Indian Service" (this was the Admiralty rule, but it applies generally), "India shall pay as many sixtieths of salary on final retirement as the number of years' service under the Indian Government; the Admiralty shall pay

Sir *Richard Temple*—continued.

pay the rest. Officers pensioned by India with Admiralty service, Admiralty shall pay as many sixtieths of salary at date of transfer to India, as the number of years' service under the Admiralty, India shall pay the rest."

80. But in both those cases the operation is quite fair, is it not, as between India and England?—It is quite fair, but it is illegal; and this Bill is an attempt to make legal what two departments have always carried out under the impression that it was legal.

81. But in both those cases the pension would be based upon the salary they were obtaining in England at the time of their retirement?—Yes.

Chairman.

82. No; Mr. Rule retired in India?—Yes; he retired in India.

Sir *Richard Temple.*

83. Is his pension based upon his salary at the date of his retirement in India?—Yes.

84. And *vice versâ* Sir Gerald FitzGerald's pension will be based upon the salary he is now receiving at the Admiralty, if he retired?—Yes.

85. And that seems fair in both cases?—At all events it is the universal rule as regards all pension services.

86. Do you think it is fair upon the whole?—Yes.

87. It must be so, so long as the principle is adopted of the pension being based upon the salary at the date of the retirement?—Yes.

88. Does a case ever arise in this way, that an officer who is already drawing a pension from the Indian revenue comes to England and is employed in England, and serves for a considerable time in England, and then retires drawing an English salary?—Yes.

89. Would he get any pension then from the English revenues?—Yes; in respect of his number of years' service in England.

90. But that pension would be based upon the salary he was drawing in England at the time of his retirement?—Yes.

91. If that salary happened to be a high one and he had served but a comparatively short period, say 10 or 15 years, would not that be a high pension?—It would be a small pension on account of his short service. Our English pension is 1-60th of the salary for each year of English service; if he came to England and served here 10 years, he would only get 10-60ths of his English salary.

92. That would not be unduly burdening the English revenue?—No, I think it would be fair.

93. My reason for asking the question is, that a gentleman, a Member of this House, who had been in India, but unconnected with the service, gives it as his view that this Bill would give some extraordinary and undue advantage to a gentleman who had served in India, and drew a pension from the Indian revenue, was as much as he would obtain additional pension apparently from the English revenue; is there such a case?—There cannot be such a case. If a man has already earned his pension in India, he is also entitled to the pension I have described to you if he joined our service in England. The only case this Bill would touch would be that of a

Sir *Richard Temple*—continued.

man transferred from India before he had earned or got his pension, and then joining the English service; he would, on retirement, be entitled to count his whole service in India and in England as I have described.

94. Only I understand in that case India would be debited with her fair proportion of the pension?—Yes.

95. So that arrangements would be quite equitable in your opinion?—It would in my opinion.

96. Can you conceive any case in which an officer so situated would draw more than he was fairly entitled to by this double arrangement?—No; because if we thought such a case possible, we should deal with it under the powers given by this Bill to make rules to meet it. I do not see how it could arise; but the Treasury take power to make rules in order to prevent a possible abuse of the provisions of the Act.

97. For instance, he would have served for a short time in England?—Yes.

98. And a long time in India?—Yes.

99. And his pension will be reckoned upon the whole period?—Yes.

100. His pension would be reckoned for the whole period on he English scale?—Yes.

101. But then India would be debited with her full proportion?—Yes.

102. Do you consider that India would have any cause of complaint of that?—I think not.

103. On the contrary, would it not be more likely that the English salary would be rather less than the Indian salaries?—I have no doubt that the whole operation of the Bill will be in favour of England; that is to say, that we should get the service more cheaply and pay less of the pension than India.

104. And rather against the officer serving foreign, because probably his ultimate salary in England would be rather less than his ultimate salary in India?—Yes, I should think so.

105. Because the English salaries are rather less than the Indian salaries?—Yes; and also our scale of pensions is not so good as that in India.

106. So you believe that this Bill is not framed to offer any peculiar or undue advantage to gentlemen who come from India?—I feel confident of it.

107. Am I right in my recollection that the main question in this Bill was in some way started in the Public Accounts Committee?—Yes, in 1883. I am not speaking now about India, but that was the first inception of it.

108. Was it not started in the Public Accounts Committee some time since 1887?—Not the particular point dealt with by this Bill. I think it was when we asked for the Superannuation Act of 1887 that the Treasury, as a condition of obtaining some additional powers under the Bill, undertook to exercise any discretion which they had previously exercised somewhat largely, within the strictest and narrowest lines; and we instance cases in which we no longer proposed to exercise that discretion.

109. Was not that at the instance in some way of the Public Accounts Committee?—Yes.

110. Am I right in my recollection that the Public Accounts Committee agreed to accept

certain

Sir *Richard Temple*—continued.

certain pension rulings made by the Treasury on condition of the Treasury undertaking to bring some Bill upon the subject before Parliament?—Yes.

111. And this is the Bill in consequence?—This is the remainder of the Bill. In the Bill which we brought in in 1887 we had not really struck this blot; we then held that our discretion fairly covered that cases. I think I may still say the Treasury could make a good defence for using its discretion; but the Treasury have thought that its discretion ought to be beyond question, and therefore that we would fortify ourselves by further legislation.

112. Just tell me shortly what was the purpose of the Bill of 1887; was that also to remedy certain "defects and doubts," as you call them?—Yes, it was to regulate the grants to civil servants injured in the execution of their duty in the service. The old Superannuation Act of 1859 gave no power to give increased rates of pension to men injured in the execution of their duty, particularly in the dockyards; that was the first thing. The next thing was to provide against a man earning two pensions at the same time. We found that men might hold, or up to that time had held, commissions in the army or navy which entitled them to pension or increased half-pay rather, and served in the Civil Service, and claim pension in regard to that at the same time, and therefore that Bill provided that a man could not draw any pension in regard to Civil Service if he was at the same time earning half-pay as a secunded officer.

113. Might not that point of the same gentleman earning two pensions apply to the cases you have mentioned from India; that is to say, might it not be said that a man was earning one pension from the Indian revenues and one pension from the English revenues?—Not from concurrent service; he might have earned a pension in India, and with that pension he might have come over to England and earned a pension with reference to his English service, but not twice over for the same period of service.

114. You say if he has fairly earned a pension by service in two countries, he is entitled to pension from both?—Yes, if they were earned in respect of different periods of service.

115. If he has earned a pension for two periods of service, he is entitled to pension for both?—Yes, certainly. As regards pension for service in India, it is, I believe, paid for by the officer himself in the form of contributions from his salary.

116. At least, in part paid for?—Yes, in part paid for.

Mr. *Biddulph.*

117. The sole object of this Bill is to remedy a defect in the law?—Yes.

118. A pension granted to a man whose service has been performed partly in India is paid for partly from the Treasury and partly from the India Office, according to the number of years he may have served in those two countries?—Yes.

Mr. *Craig.*

119. Would this Bill cover the case of uncovenanted servants in the Indian service?—I believe so.

120. Is it not the fact that by the Indian regulations the maximum amount of pension allowed to uncovenanted servants is, at 55 years, 5,000 rupees?—I cannot tell you; Mr. Waterfield will tell you as regards the Indian pensions.

121. But you are quite clear that this Bill would cover the uncovenanted service of India, as well as the covenanted?—Yes.

122. You are not aware that the regulations applying to the uncovenanted service differ very much from those applying to the other service?—I am aware of it generally.

123. Do not you believe that the Bill would operate unfairly to the British taxpayer?—I think not.

124. By the rule contemplated by the new Act an Indian uncovenanted civil servant taking up an English appointment after, say 50 years of age (being then entitled to 350 *l.* per annum pension Indian), in value 1,500 *l.* per annum, and holding that appointment for five years would be entitled to count for pension, not his Indian service on the minor scale, but his Indian and English service as if he had been his entire service in his English appointment, and take a pension of 1,000 *l.* per annum instead of 350 *l.* Indian pension, plus the sum he would be entitled to at the present rate, viz.: 5-60ths of 1,500*l.*, 125 *l.*, making a total of 475 *l.* per annum, as against 1,000 *l.*; do you think that that is a fair thing to the English taxpayer, assuming it is true. I do not know whether it is or not?—If you look at Sub-clause 3 of Clause 1 of the Bill you will see that although the Treasury may apportion the amount to be paid out of each fund or account; and might therefore apportion to India her full share of the pension, the Secretary of State in Council for India is to determine the amount to be paid therefrom. We apportion to India her share of this pension on the assumption that the officer was entitled to the same scale of pension throughout. The Secretary of State for India then determines the amount to be paid from the Indian Fund; he would determine in the case you mention that the man should be paid only so much as he would have been entitled to under these uncovenanted rulings; the result is that the man would not get his full rate of pension.

Mr. *Storey.*

125. Suppose a pension was granted him to the amount of 600 *l.* a year, and you apportioned at the Treasury 400 *l.* from England and 200 *l.* from India; do you mean to say the Secretary of State for India might say, you may apportion 200 *l.* but I will only pay 100 *l.*, although you had said this gentleman was entitled to 600 *l.* a year?—No, we should not say "entitled."

126. You would say 600 *l.* is your fair pension?—We should say, you are qualified for pension calculated upon this scale, subject to the discretion expressly reserved to the Secretary for India.

Mr. *Craig.*

127. By Sub-section 2 of Clause 1, as I read it, a man who had served a number of years in the uncovenanted service of India, comes over here

Mr. *Craig*—continued.

here and gets a civil appointment of five years with, in the case I put, 1,500 *l.* a year. The rules say that both the time in India and in England shall count for pension and that the pension shall be counted as if his whole service had been in the office in which he ultimately retires; would that operate in this way?—No, because although the pension would be apportioned on that principle, the actual payment of the Indian share is at the discretion of the Secretary of State for India; he would determine how much of the sum apportionedto India he would pay.

Mr. *King.*

128. Do you mean that supposing he had served 30 years in India, which would be his service for the uncovenanted pension and five years here (which would make 35-60ths to which he would be entitled), you would apportion 30-60ths to India and 5-60ths to England?—Yes.

129. But the Secretary of State might say, I shall only pay for our 30-60ths 5,000 rupees, and therefore his total pension would only be 5,000 rupees, *plus* 5-60ths of the salary he is drawing in the last service?—Yes.

Chairman.

130. But under the present law, he would not get 5-60ths, because he would not have served long enough in the English service to get a pension at all?—No, but under this Bill the whole service will count as one.

Sir *Richard Temple.*

131. But taking the service at 40 years, your answer would be exactly applicable?—Yes.

Mr. *Craig.*

132. Going back to the original question I put to you is that a correct statement of the effect of this Bill if passed into law, or not?—No, I do not think that would be the effect of the Bill; he might be qualified for that amount of pension, but he would not get it.

133. Then what is the meaning of Sub-section 2 of Clause 1 of this Bill?—It is that the Treasury should calculate pension upon the lines laid down in that section; and it would pay its own proportion of that pension, but it cannot compel the Secretary of State for India to pay, because "The Secretary of State in Council of India shall determine" the amount payable from the Indian Fund. Therefore, as regards the English service the man would get the pension to which he was entitled as regards the English service, and as regards the Indian service the Secretary of State for India would determine the amount to be paid from the Indian Revenue, and he would, I assume, determine that that amount should depend upon whether the man had been in the uncovenanted or the covenanted service of India.

134. But would not Sub-section 2 of Clause 1 determine the amount to which such a civil servant in England was entitled?—Yes. As regards his English service absolutely, but as regards his Indian service, only subject to the determination of the Secretary for India.

135. The section says the Rules shall provide for a certain thing, and the service shall be reckoned in such and such a way?—Yes.

Mr. *Craig*—continued.

136. And that he shall have a pension as from the office from which he last retires, as though all his time had been served in that office. Supposing you take 10 years, would not those 10 years be added on to the 30?—It would not affect it.

Mr. *Storey.*

137. If a man has served in India 30 years, and then serves 10 here, under the Bill he would get exactly the same pension as if there had been no Bill; that is to say, he will be entitled to his 10-60ths here, and to his 30-60ths in India?—At present if he had served 30 years in India (you are speaking of the uncovenanted service) he would have received his pension and retired; he would keep that pension for the rest of his life; he would come over here and would get 10-60ths if he served 10 years of his English service, but he would get no addition at all in respect of his previous service, he would have got his pension before he came over here.

138. Make it 28 and 12; for 28 years in India he would not have got a pension?—I thought it was after 20 years he got his pension in India.

Mr. *Craig.*

139. Are you quite clear that these last words in Sub-section 2 of Clause 1 will not entitle such a man to count his Indian time and English time together for pension after retiring from the English office?—It would throw no additional charge on the English pension, and it would be at the discretion of the Secretary of State in Council of India whether it will throw an additional charge upon the Indian Funds or not.

Mr. *King.*

140. Supposing this gentleman, whom Mr. Craig has been speaking of, retired from the Indian service, he would draw the value of the office concurrently with his new office?—Yes.

141. So that he would be drawing 5,000 rupees plus 1,500 *l.* a year?—Yes.

142. Then when the pension comes to be assessed at the end of 10 years' service on the basis of 1,500 *l.* he will be entitled to count 40-60ths?—No; if he drew his Indian pension during his English service, then he could not count his Indian service towards his pension at all.

143. But he would in all cases where he had pension be drawing it?—Yes.

144. I will take you to the case of a resident magistrate, Mr. R. C. Evanson, served for a very considerable time in India?—Yes.

145. And is now drawing a pension from the Indian Government?—Yes.

146. Concurrently with his pay as a resident magistrate?—Yes.

147. And when he retires how will his pension be calculated?—Solely on his services as a resident magistrate.

148. He will not be allowed to count the years of his service in India at all?—No.

149. Then this Bill does not affect him at all?—No.

Mr. *John Ellis.*

150. Just one further question about the history of this matter; do I gather from you that it was in 1883 that the Auditor General discovered what

Mr. *John Ellis*—continued.

what you have called a technical flaw?—Yes, in 1883.

151. Then in 1887 a certain change of interpretation took place; was not that so?—Yes.

152. The Treasury took a narrower view, did it?—Yes.

153. Then for four years there was no difficulty at all events?—From 1883 to 1887 there were no difficulties.

154. Then when the narrower interpretation took place in 1887, what happened until 1890?—No case arose.

155. In 1890 there was this Order in Council which, I take it from you, has raised the difficulty?—Which has brought it into prominence.

156. In consequence of the compulsory retirement at certain ages?—Yes.

157. Then I think we gathered from you that there must be a continuous service?—Yes.

158. Do you find that in the Bill; under what words is it specified?—The Parliamentary counsel are of opinion that "successively" did that; "who have served successively in two or more offices" in line 3, Clause 1.

159. You have been advised that the word "successively" means continuously?—Yes, but I may say that the Government have raised no objection to the insertion of any words explaining it, if thought necessary.

160. You have given the Committee the number of persons who will be affected under this Bill, but you used the expression, "I have just discovered a case"; do you think it is at all possible that other cases may be discovered?—It is possible.

161. But not probable you think?—I should think it is not probable.

162. At all events you now wish us to assume with reasonable certainty that the 69 and the 50 cover all the cases?—Yes; I have made every inquiry in my power, and I am confident that 120 men will cover the whole number in the service.

163. As a public man in the service you come before the Committee to say that it is the result of your research?—Yes.

164. It would be very unfortunate I need hardly point out, for your reputation, if a number more were discovered after a few years time?—My answer, of course, is subject to such information as I have been able to derive from the different Departments. The Treasury cannot possibly know of these cases until they come up for pensions; but I have communicated with all the Departments which I thought could possibly be affected by it, and I have taken from the letters I have received from them the information I have laid before the Committee.

165. You were requested by your superior officer to appear before the Committee and give the Committee the figures?—I was requested by my superior officers to give the Committee every information in my power; and that was all the information I could get.

166. These are really figures put before us by the Government of the day?—I am rather in the hands of the Committee in answering that question. I had instructions to find out everything I possibly could; I have made the fullest inquiries among the Departments, and that is the result.

Mr. *John Ellis*—continued.

167. Then with reference to the cost; have your inquiries satisfied you that the cost you have given the Committee is the outside cost?—Yes, they have satisfied me as to that.

168. Have you had any complaints of the grievances that this Bill is supposed to remedy?—Yes.

169. How many?—I think the total number of cases would be about a dozen.

170. You have had complaints from these gentlemen?—We have.

171. Written complaints?—Yes; they have pointed out to the heads of their department the fact that when their retirement comes, they now find that from the Treasury ruling they lose a part of their pension. I can give you a particular instance; a gentleman the other day, a sheriff substitute——

172. That was the case mentioned by Mr. Balfour in the House?—Yes, there was such a case.

173. Have you any other?—Yes; there is a gentleman in the Prisons' service who was appointed, from being a governor of a prison to be an inspector of prisons, but it was found that the terms of the Prison's Act had not contemplated such a transfer, and that he would lose the whole of his previous service pension.

174. Did these gentlemen mention that when they entered into the service they did so under what turns out to be a misapprehension?—Yes, in each case.

175. Was it that, or was it that the new interpretation of the Treasury, created a new state of things?—Both are true; they could not foresee that the Treasury would restrict its discretion; the Treasury had habitually granted pensions to men in the same position, therefore they had no means of knowing that when their turn to pension came, a different ruling would be adopted in their case.

176. Will you explain to the Committee why the grievance was not brought before the Commission when it sat?—It was really hardly recognised; it occurs so very rarely.

177. Have these dozen complaints occurred since then?—Yes.

178. What are the earliest of these dozen complaints?—I think 1889 was the earliest.

179. Was not the Commission sitting in 1889?—No, I think not.

180. The Commission was appointed in 1887, I think?—I think it had reported before 1889.

181. At all events this grievance had not assumed such dimensions during the time the Commission was sitting that you thought it necessary to raise the point before it?—No.

182. It is quite a recent case?—Yes; it is quite a recent case.

183. Perhaps you cannot explain to the Committee why the Bill was not introduced before?—It has been introduced; there have been a series of Superannuation Bills introduced since the Report of the Commission every year, and a clause doing what this Bill now does, has been in every one of those Bills.

184. I think we gather from that there are 24 of those resident magistrates affected?—Yes.

185. There are 72 of them altogether, I think; can you tell the Committee what the additional cost

Mr. *John Ellis*—continued.

cost will be in their case?—I could work it out for the Committee, but I have not got it.

186. Would it be an appreciable part of the total?—Yes.

187. Would it be one-third of the total?—Yes, I should say it would be quite a third.

188. Would it be nearly half?—I should not like to say unless I had worked it out.

189. At all events I may take it from you, that of the expense which the remedying of the grievance which this Bill is about to do, would cast upon the public, more than a third arises from the resident magistrates of Ireland?—I should say a third.

Mr. *Jackson.*

190. Just upon that point; the grievance arises, not by reason of their being resident magistrates, but by reason of their having served in the Constabulary, for which there is a separate pension fund?—Yes.

191. And that in the case of those men there is, I presume, a number of them; I do not know what proportion, and I do not know whether you can say what proportion, but probably by far the largest majority of them, took the position of resident magistrates, believing that they would be entitled, under the practice that had prevailed, to count for pension, their Constabulary service?—Every one of them.

192. And they took up the position of resident magistrate under the system where that was the rule?—Yes.

193. And that a real hardship is created by your Order in Council, which calls upon them to retire at 65?—Yes.

194. Otherwise they might have continued to serve on until they had worked out, as it were, at any rate, a larger pension than if they had not worked it out?—That is so.

195. As a matter of fact it was not known?—No, it was not known.

196. Those men accepted the appointment in good faith, believing that they would be entitled to count their old service?—Yes.

197. I am sorry to put even another question to you, but I am asked to do so by Mr. King, in order to make it clear. In no case, either in the covenanted service, or in the uncovenanted service in India, or in any other service even in England, where an officer had retired and taken his pension, would he be affected by this Bill?—In no case.

198. Therefore the case could not arise of a man drawing his pension concurrently with his subsequent service, that any addition could be made to his pension at the end of the time when his pension became due?—No.

Sir *Richard Temple.*

199. May I put this case: supposing an uncovenanted servant had served for 15 years in India, and comes over and serves for 20 years in England, that would make 35 years' service he then has a pension reckoned; I will not say he gets it, but reckoned upon the salary he was drawing at the end of that service in England, and he would get from you a pension upon the last 20 years?—Yes.

200. But he would get nothing for his 15 years in India, would he, under that proviso at the end of Sub-section 3?—Not unless the Secretary of State for India saw fit to pay it him.

201. But you realise that for 15 years' service he is entitled to no pension at all?—Yes.

202. Had he simply retired into private life after that 15 years' service in India he would have got nothing?—I assume that is so; I do not know.

Mr. *Storey.*

203. You said that there had been a succession of Pension Bills introduced?—Yes.

204. When was the last Bill introduced?—In 1889, 1890, and 1891 there were such Bills introduced.

205. Have you a copy of the Bill of 1891?—I have not; but I believe the clause is the same in all.

206. I want to ask whether in the method of computing the pension there was not a difference between that Bill and this?—No, I think the effect is exactly the same; but I should explain to you perhaps that the Bill of 1891 was a Bill for dealing with the whole subject of the recommendation before the Commission; that would have effected an entire change in the superannuation law.

Chairman.

207. That Bill would have applied to the whole service?—Yes, each of the previous Bills did so.

Mr. *King.*

208. Will you take it from me that no man can retire with a pension from the uncovenanted service under 30 years' service, except by medical certificate; but he can retire at any time after 10 years' service upon a medical certificate. Supposing he had retired on medical certificate and taken his pension, and then went into the English service, would that be successive service or a different service?—It would not be successive service.

Mr. Henry Waterfield, c.b., called in ; and Examined.

Chairman.

209. You are the Secretary to the Finance Department of the India Office?—I am.

210. Do you sometimes obtain the services of officers who have passed a certain time in the Imperial service in the Government of India ?—Yes, applications are made for them.

211. Is that common ?—It is not very common ; there have been in the last 20 years about a dozen cases of officers whose cases have come up for pension who have been transferred in that way.

212. When such officers have retired, the Government of India has awarded pensions, in certain cases, to them ?—Yes.

213. Are those pensions which are awarded, regulated by the Indian Pension Rules ?—By the Indian Pension Rules.

214. By which the Secretary of State and the Government of India are bound ?—Yes.

215. And in those cases has the Imperial Government been accustomed to contribute to the pension given, in proportion to the Imperial service which has been rendered ?—For a few years, from 1883 to 1887, the Imperial Government did so.

216. They did contribute, at the rate of a sixtieth, for every year's service ?—A sixtieth of the salary the officer was drawing under the British Government at the time of his transfer from its service, in respect of each year of such service.

217. The Government of India awarded the full amount of pension, and themselves paid the excess over the share borne by the Treasury ?—Yes.

218. Have you also sometimes had officers transferred from the Indian service to the Imperial service ?—Yes ; more frequently to the Colonial service ; but there have been one or two cases of transfer to the Imperial service ; in the Colonial service it is not very uncommon.

219. When you say "Colonial" do you mean cases in the self-governing colonies, like Australia ?—The first case of importance was one in the Straits Settlements. When the Colonial Office took over the government of the Straits Settlements, it became necessary to provide what pensions should be given to those officers in respect of the service they had already rendered while the Straits Settlements were under the Government of India.

220. In the case of such officers, when they finally retired, has the Government of India been accustomed to contribute to their pension ?—The Government of India agreed that in such cases it would grant from the Indian revenues a pension calculated on the a erage emoluments drawn by the officer during his last five years under the Indian Government, at the rate of 1-60th of such emoluments for each completed year of service ; but in the Indian rules there is always a maximum limit, 4,000 or 2,000 rupees according to the salary the officer has drawn.

Mr. *Craig.*

221. I should like to ask you a question I put to Mr. Mowatt. By the rule contemplated by the new Act an Indian uncovenanted civil servant taking up an English appointment after, say, 50 years of age (being then entitled to 350 *l.* per annum pension Indian) in value 1,500 *l.* per annum, and holding that appointment for five years, would be entitled to count for pension, not his Indian service on the minor scale, but his Indian and English service, as if he had been his entire service in his English appointment, and take a pension of 1,000 *l.* per annum instead of 350 *l.* Indian pension, *plus* the sum he would be entitled to at the present rate, viz., 5-60ths of 1,500 *l.* = 125 *l.* ; making a total of 475 *l.* per annum ?—So far as I can follow it, I think the calculation is right, but I think that it is a case which the Government have it completely in their hands to meet by the word, to which the Committee referred just now, "successively." If an officer willing to transfer his services from India to England at the age of 50, and being offered a very high appointment of 1,500 *l.* a-year, were to apply to be transferred, I think the Treasury would certainly say, We shall not transfer you, counting your service continuously ; you must retire from the Indian service, and we will appoint you afresh to the English service. The Government are not bound in any way to enable an officer to acquire a very large pension to which he would not be otherwise entitled. I do not think they would for a moment allow such a case to arise ; but I am not able to say, supposing the Government were desirous to do a job for the man, under such circumstances, that they could not do it. I do not say it is impossible.

222. Would you read the second Sub-section of Clause 1, and say whether that would not carry with it the obligation to pay the pension upon such a scale ?—If it were continuous service, it would give the officer a very fair claim to say that his pension should be reckoned upon the joint service ; but the Treasury are the arbiters ; it does not say that the Treasury "must" grant, but only that they "may ;" but I think that the real remedy is not to allow a transfer to take place in such a case. I may say the figures you have given are most unlikely to arise. There are very few offices in the Civil Service worth 1,500 *l.* a year, and I think no uncovenanted officer is ever likely to receive one. I can hardly conceive a case in which an uncovenanted servant who has already served 30 years in India, would be appointed to the office of Under Secretary of State, which is the kind of post that would be implied by speaking of a salary of 1,500 *l.* a year.

Mr. *King.*

223. Could the case stated by Mr. Craig arise at all, because it supposes that a man has taken a pension, and, having taken a pension, Mr. Mowatt says he would not be allowed to count his service as successive service ?—But the case, as put to me, is that a man is transferred before he took his pension.

224. The

Mr. *King*—continued.

224. Then he would not be entitled to a pension?—It is a most improbable case that a man who has already served 30 years in India (which means, I may say, more than thirty years' service, because it means qualifying service, excluding the furlough that he may have taken, so that it might represent 35 or 36 years' service) would be then appointed by the Government to a post in England carrying 1,500 *l.* a year salary.

225. Service counts from the age of 21 years in the uncovenanted service?—Yes.

226. So that he will be over 55 years of age to be in the position Mr. Craig assumes?—It does not follow that he must have served 35 or 36 years, but he must have served over 30 years.

Mr. *King*—continued.

227. In order to carry out the suggestion, the Indian Government must grant him a pension after he has been transferred to the English service?—No; the case put is where he is transferred upon continuous service, he being only entitled to 350 *l.*, but not having received it; but it is a case which I do not think it is possible could occur, and certainly the Government could meet it by calling upon the officer to retire from his Indian service one day before he was appointed to the English service.

REPORT

FROM THE

SELECT COMMITTEE

ON THE

SUPERANNUATION ACTS AMENDMENT (No. 2) BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed*,
14 *June* 1892.

[*Price* 2½ *d.*]

271. *Under* 2 *oz.*

782

IRISH UNIVERSITY PRESS

A000060204516